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THE COTTON TEXTILE INDUSTRY

(1950 ANNUAL)

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PREFACE

During 1950, the cotton textile industry in India had an altogether difficult year. There were difficulties at every turn and almost every month and it is small wonder that the annual production showed a considerable decline from that of 1949. Of course, the prolonged strike in the Bombay mills for nearly two months was the biggest factor in the setback to production. Nevertheless, the continued working of mills is almost becoming a problem—for no reason connected with the attitude of labour—and the insoluble part of that problem concerns the supply of raw cotton. With Pakistan entirely a closed chapter as far as supply in 1950 was concerned, the industry has had to rely on foreign cotton to a great degree. The fact that efforts to grow more cotton have succeeded to a small extent cannot obscure the really grave state of cotton supplies. The latter have two aspects ; quantity and price. It is hard to choose as to which is the more teasing of the two. With United States export policy ever fickle and—latterly, the international political situation has tended to dry up what little exports would be had from the States—the mills dependent upon foreign cotton have been hard put to it to keep adequate stocks. Egyptian, East African and other varieties have been just as difficult to obtain because of the general scramble for cotton on the part of all countries, and India is rather low down in the queue. It is sad to reflect that though our foreign exchange resources have increased, thanks to the export drive, such good fortune does not bring us more cotton. The Government of India have, for their part, arranged supplies through imports as best as they could ; though the importing policy has often been tardy and has never properly anticipated the rise in prices all the world over, thereby making the cotton obtained unnecessarily dearer to the mills. But the governmental machine always moves slowly and its lethargy has always to be bargained for.

The net result of all this conjunction of circumstances is that it is very difficult to keep raw cotton prices in check, much less on an even keel. During the past year, government did the right thing in raising the cotton prices, thereby showing a realism which is often absent in their policy. But today, the enhanced ceilings are again in danger of being over-stepped and made unrealistic. The authorities have no doubt warned the mills and the trade not to deal in cotton at prices over the official levels. But when shortage becomes acute, it is questionable whether any warnings can be effective. The collective purchase scheme did not meet with approval of the influential mill interests and has therefore not been given effect to. If cotton prices pierce the ceilings and the mills find it difficult to obtain cotton at the controlled prices, things would automatically gravitate towards the collective purchase scheme. In any case, what we wish to emphasize here is this : More than ever at any time in the history of the industry, the responsibility of the government to provide the raw material by hook or by crook has become that of the government. The slight improvement in indigenous supplies —32 lakhs bales this year—reflects credit on the Central and the States Governments, but a much greater improvement is necessary to keep the

mills well stocked with cotton. The situation admits of no complacency on the part of government.

Price-wise also, the situation needs to be watched with care. If the prices of imported cotton rise, as they do, the price of the manufactured cloth also rises in accordance with the formula devised by the Tariff Board. Since the mills, or most of them, have to depend upon imported cotton, it will be seen that the price of the manufactured cloth will tend to be higher and higher. In view of the general war scare and the tendency to hoard all commodities, this is not a very desirable thing from the consumers' point of view. It is therefore necessary to plan ahead, if at all that is possible, and prevent a run-away trend in prices.

We would here like to draw the attention of the Government of India to an alarming consequence of the present policy and form of the present Cotton Control Act, viz. the deterioration of the quality and staple length of the cotton crop. As a result of the shortage of the cotton crop of India in relation to the requirements of the mill industry, which is unable to get its requirements of foreign cotton at reasonable prices and in required quantity, and the Government's decision to regulate purchase of cotton (from January 1951) in upcountry markets at ceiling rates through their agents on commission basis, cotton is being offered and taken only at ceiling rates, irrespective of quality and staple. Thus, no incentive is left for the agriculturist to cultivate improved varieties. Further there is also the possibility of cotton seeds being badly mixed, which would endanger the chances of mills getting long staple cotton in future, and ruin the excellent work done by the Indian Central Cotton Committee during the last three decades. Immediate action is essential to avert this danger.

In this *Annual*, the usual method has been followed in dealing with the industry, but in the several chapters the accent on some aspects has naturally varied. We have throughout tried to present the international background in rather greater detail than usual because of its obvious importance either as regards the raw material or the finished product. With regard to raw cotton, we have already referred to the international position. As regards the exports of manufactured products also, the international market presents certain features which have to be carefully watched. The rapid rise of the Japanese textile industry under most active American support is worthy of attention. There is no mistaking the seriousness of the bid by Japan to recapture her pre-1939 position as rapidly as possible. If the Indian textile industry does not see the writing on the wall, the British textile industry does, and as we have pointed in the *Annual*, it would be strange if a vanquished nation like Japan were to regain her former power of dumping and of engaging in cut-throat competition, by exploiting the horribly sordid internal conditions of sweated female labour, low wage standard, etc. We trust that the Government of India will be properly seized of this danger of Japan. To permit that nation to continue in its old-time methods would spell ruin to our textile exports and as a corollary, to the export drive of India as a whole. This country must retain at any cost

its export markets which it now enjoys. As it is, it is the exports which enable the mills to make both ends meet. If there is the least setback to exports, the result would be that many mills would run at a loss, and in due course would not run at all. The complete removal of price control on exports was one of the few things that our government have done in the right direction. When other countries force us to pay the prices they dictate, why should we not also allow our exports to earn the most they can? We have seen already a tragedy enacted in jute. This is why we have discussed the export question in detail in this *Annual*.

We would invite our readers specially to the chapters on Exports and the Japanese industry, in which we have tried to view the prospects of India's exports in world perspective. After the chapters were written, a Cotton Industry Delegation from the U.K. headed by Sir E. Raymond Streat visited India in December 1950. The visit was, as explained by the leader of the Delegation himself, to establish contact with the representatives of the Indian industry and to exchange views and information with them in regard to the international situation relating to cotton textiles. The Indian industrialists had a firsthand account of the trend of the discussions which the British industrialists had had earlier with representatives of American, Japanese, Dutch and French textile industry. The British view was that "over the years there had been a long-term tendency for international trade in cotton textiles to decline, as the various markets had supplied more and more of their requirements from their industry". Statistics prove this. India herself is a striking illustration. From being the world's largest importer of cotton goods 40 years ago, she is now the world's biggest exporter (1,200 million yds. in 1950). In the opinion of the British delegation, while world consumption would continue to increase, the volume of international trade would not recover to its pre-war level although there might be changes in the share of some countries. The South American and Near Eastern countries are no longer importing on the same scale as before and export possibilities have rather to be looked for in colonial territories, Pakistan and the like. The whole point is that expansion in consumption in the world as a whole will not be reflected in an expansion of exports, because domestic production caters to the increased demand. This is the writing on the wall for all exporting countries.

The Indian industrialists stressed the importance of exports to India and in fact the export market is today of equal, if not greater, importance to the mills than the home market. "The question or necessity of considering or initiating action to protect Indian interests in the home or export markets has not so far arisen," observed Mr. Neville Wadia. But with the U.K. and Japan anxious to expand exports, and with the world trend what it is, it is obvious that expansion in exports is going to be difficult to achieve. Indeed, developments on the home front have already forced government to reduce the export quota for 1951 to 800 million yards and even that is to be allowed in stages only. This has been announced in Parliament by the Deputy Commerce Minister. We hope however that the importance of the export market will not be forgotten in the effort to appease the consumer in India. The most has to

be made of the existing measure of devaluation and world conditions, only because both seem likely to witness a change.

The Indo-Pakistan Trade Agreement (February 1951) has just been signed. As per Schedule I, India has agreed to send 15,000 bales of handloom cotton cloth, and coarse mill-made cloth 40,000 bales, medium 20,000 bales and fine 15,000 bales, in addition to cotton yarn 15,000 bales, all between 1st July 1951 and 30th June 1952. In return, Pakistan has not specified any quantity of raw cotton, but has merely stated that 'any quantity' could be sent from Pakistan. At the moment, with Pakistan prices at the highest levels, 'any quantity' means nil. But it is too soon to anticipate. We only hope that as against India's specific commitments to send handlooms, mill cloth and yarn, Pakistan had also been bound down to supply a specified quantity of raw cotton. It is, however, hoped that at least 4 lakh bales will be available in the next cotton year. Considering that the flow of supplies from Pakistan can make a great deal of difference to Indian production, we trust that efforts will be made to utilise this opportunity. But though there is no restriction on the price that an importer in India can pay for cotton imported from Pakistan, no increase in prices will be allowed in respect of the yarn and cloth made out of such cotton for internal consumption. At least for exports, therefore, cotton from Pakistan would be useful.

The year has also seen plenty of activities in the preparation of economic blue-prints. The Fiscal Commission's report is a valuable and timely reminder of the gravity of many economic problems, but the most important recommendation perhaps is the one relating to the constitution of a permanent Tariff Commission. The cotton textile industry has been deprotected, it is true, but in view of the difficulty of obtaining raw material, the industry has very little control over prices of the raw material. The Planning Commission's sub-committee on raw materials has not completed its labours and it would be interesting to know how the Commission proposes to tackle the problem of cotton supplies to the textile industry. Far too serious questions are pressing upon us and big blue-prints cannot be made in this hour of stress. Expediency rather than planning is the key-note of policy at present, and heaven knows that we cannot blame the government for it.

The handloom industry has been attracting a lot of attention—and unlike other years, some assistance from government. The Standing Handloom Committee—now a compact body—of the Cottage Industries Board has been trying to tackle the several problems, such as yarn supplies, delimitation of mill varieties, marketing, etc. with varying degrees of success but it would be idle to pretend that much progress has been achieved. Todate, the only achievement is that the mills have been prohibited from making certain lines of production in saris, bed-sheets, etc. Much more has to be done to enable the handloom industry to acquire greater vitality. It must not be forgotten that this industry has lost certain important markets such as Pakistan, Burma, Ceylon, etc. and stocks have been accumulating. Of course, the State Governments in Madras, Bombay, U.P., etc. have been making strenuous efforts to

improve the lot of the weaver by providing better marketing facilities, easier finance facilities, and even subsidy, as in some parts of Salem district towards the end of 1950. If mill cloth becomes scarce, the handloom products will again be more sought after. Not until handloom products can be sold at prices near the mill products can there be a really healthy industry. That day is still far off, because there are so many factors over which the handloom weaver has no control. Lastly, the powerloom is becoming a problem. It falls between two stools, it is neither a mechanised industry nor a cottage industry. The handloom industry views the powerloom with unmitigated hatred. And yet, the powerloom industry cannot be ignored. Its very existence is a problem. At present it seems to have the difficulties of the mill industry and the handloom and none of the advantages of either. In our view, its further expansion should not be permitted. These aspects have been duly discussed in the *Annual*.

We trust that our readers will find the discussion of problems stimulating and the objective information useful.

As we go to press, there are already faint grumblings of a nemesis overtaking the Government of India for their stay-put price policy. We have repeatedly urged the unrealistic policy followed by them in this matter and on the 20th January 1951, the Textile Commissioner issued instructions to all the textile mills in India revising the prices of cloth and yarn to be packed during January-March 1951. The effect of the revision is that—

(*a*) the price of coarse cloth will be increased by about 7½ per cent;

(*b*) the price of medium cloth will remain almost stationary;

(*c*) the price of fine cloth will be increased by about 15 per cent;

(*d*) the pirce of superfine cloth will be increased by about 6 per cent over the existing ex-mill ceiling prices. So far as the yarn prices are concerned, the increase will be on the same lines depending upon the counts of yarn spun.

The failure to revise the price of medium varieties naturally evoked considerable protests from the mills engaged in manufacturing such variety. The mills without probably a single exception have been opposing the revision tooth and nail and we cannot see any alternative for the government except to bow to their wishes. After all, these price increases are the logical outcome of the higher prices of cotton. So long as cotton supply is so precarious as it is now, any policy of holding the price level is doomed to failure. We quite appreciate that any price increase will react on other industries and generate a fresh inflation spiral. But this is not to say that legitimate price increases should not be allowed. At a time when many mills are closing down for want of cotton (as in Saurashtra) it is necessary to do everything possible to ensure production. It is much better to have more production at a higher price level than to allow production to slump with disastrous consequences on prices and the people.

The cotton tangle is not easy to solve, and the experiment of cotton control and government authorised firms purchasing cotton in various zones at official prices must be watched closely. The reactions of controlled buying of cotton on the quality of the cotton crop must also be studied with care and concern for the future. By all tokens, 1951 is going to be a difficult year for the industry. The need for correct statesmanship would never seem to have been greater than today.

We invite the careful attention of the readers to the earlier portion of the *Annual* entitled "Cotton Industry at a Glance". It contains several statistical tables brought up-to-date. Texts of the various Government Control Acts have also been brought up-to-date and appended in that section. A list of the members of the Textile Advisory Committee, Standing Handloom Committee, etc. is also given.

We have discussed at length important problems relating to cultivation, export, import, consumption and prices of raw cotton in Appendix "A", in the hope that it will be useful to Commerce students who have to study the subject as part of the B.Com. course.

We have given a new Appendix containing the cotton textile industry's post-war plan for expansion.

We have appended as usual a completely revised list of mills with their spindles and looms, and names of Managing Agents, in Appendix 'I' towards the end of the *Annual*. The mills in Pakistan, as also the mills in the course of erection, have been shown separately.

We are thankful to Mr. T. P. Barat, Textile Commissioner, for the willingness with which he has assisted us, through his various departments, in bringing out this publication with the very detailed statistics in an up-to-date form.

We are also grateful to the various progressive Companies for the utilisation of our *Annual* as medium for their advertisements.

We will greatly appreciate suggestions from readers for enhancing the utility of this *Annual* to the industry, commercial community, Universities and their Research Departments, officials, non-officials, and members of the general public interested in the study of the fortunes of this largest national industry of India.

This year's *Annual* has been greatly delayed due to the numerous changes in the Government's policy in regard to control over both cotton and cloth. We have passed under review the latest measures of the Government in these matters and have brought the control orders up-to-date. We hope that the readers will appreciate this and excuse us for this unavoidable delay in the publication of this year's *Annual*.

C/o Gandhi & Co.,
Jan Mansion,
Sir Pherozshah Mehta Road,
Fort, Bombay 1.
22nd March 1951.

M. P. GANDHI,
Editor, Indian Cotton Textile
Industry *Annual.*

THE COTTON INDUSTRY AT A GLANCE (1950)

NOTE.—Due to the delay in the publication of official statistics, we have experienced some difficulty in giving the latest figures in many instances. An attempt is, however, made to furnish such authoritative figures compiled from various official and reliable non-official sources. We have added some new statistics in this *Annual*.

TABLE No. 1

Progress of Cotton Mills in India from 1939 to 1949

Year ending 31st August	Number of Mills	Number of Spindles installed	Number of Looms installed	Average No. of hands employed	Approximate quantity of cotton consumed
		(Figures in thousands)			(Bales of 392 lbs.)
1939	389	10,059	2,01	4 41	3 812
1940	388	10,058	2,00	4,30	3,680
1941	390	9 961	1,99	4 60	4 251
1942	396	10,026	2,00	4,80	4,740
1943	401	10,130	2,01	5,03	4,890
1944	405	10,197	2,02	5,04	4,843
1945	417	10,238	2,02	5,10	4,909
1946	421	10,305	2,03	4,95	4,550
1947	423	10,354	2,03	4 88	3 972
1948 (union)	408	10,266	1,97	4,66	4,200
1949 (union)	416	10,634	1,98	4,63	4,325
		Pakistan Only (Actual No.)			
1948	14	167,224	4,603	9,668	82,804
1949	14	169,652	4 601	10,608	81,374

TABLE No. 2

Indian Cotton Crop (Acreage and Yield) from 1940 to 1950

Season	Area in thousands of acres	Estimated Yield in thousands of bales of 400 lbs. each	Jarilla average price per candy of 784 lbs.	Estimated approximate money value of crop in lakhs of Rs.
1940–41	23,311	6,080	212*	49 06
1941–42	24,151	6,223	201*	49,75
1942–43	19,203	4 702	458	67,00
1943–44	21,056	5,269	451	89 00
1944–45	14,843	3,580	436	64 75
1945–46	14,668	3,530	448	75,25
1946–47	14,860	3,566	456	89.75
1947–48†	10,932	2,116	545	77,50
1948–49†	11,293	1,767	—	—
1949–50†	11,793	2,165	—	—
1950–51†	12,000 (approx)	3 200 (approx) as estimated on 16-11-1950		

* Average Broach price.
† (Indian Union). The expectation for 1951-52 is a yield of 4 million bales.

TABLE No. 3

Imports of Raw Cotton into India (1940 to 1950)

Year (April–March)	From U.S.A. Quantity Tons	Value in 000's Rs.	From Egypt Quantity Tons	Value in 000's Rs.	From Kenya Quantity Tons	Value in 000's Rs.	Total Quantity in Tons	Total Value in 000's Rs
1940–41	8 704	8,041	22,307	26,204	31,578	31 628	89,082	94,692
1941–42	201	220	34 026	41 761	62 676	64 627	137,548	163,442
1942–43	2	2	36 349	75,005	24,515	33 275	87 575	154,248
1943–44	—	—	43,431	102 067	10,860	24 161	76 102	175 276
1944–45	—	—	49,659	150,569	30,490	67 901	89,717	240,061
1945–46	245	712	38,783	122 279	37,581	83 840	86,009	228 665
1946–47	3,737	9,233	43,575	134 122	30,875	69 520	98,997	259,167
1947–48	626	1,772	59 589	189 535	31,252	72,056	112,894	311,717
1948–49	4,138	18 649	61,262	285,435	21,782	81,068	161,702	642 314
1949–50	3,964	15,298	76,246	340,620	35,647	137,409	158,642	632,460

TABLE No. 4

Exports of Indian Raw Cotton to other Countries (1939 to 1950)

Year (April-March)	U. K. Quantity Tons	U. K. Value in 000's Rs.	Japan Quantity Tons	Japan Value in 000's Rs.	Total Quantity Tons	Total Value in 000's Rs.
1939-40	84,406	52,378	188,570	1,07 650	526,516	3,01,118
1940-41	52 840	32 993	125,889	70,486	387,977	2,35,625
1941-42	97,747	64 660	68,672	40,008	256 111	1,59,464
1942-43	40,943	26 262	—	—	53,720	36 420
1943-44	32,131	43,462	—	—	50,281	63 635
1944-45	41,726	56,511	—	—	56,918	69,338
1945-46	39,006	47,380	—	—	135,945	1,39,156
1946-47	19,065	25,065	—	—	162 718	2,25,422
1947-48	29,784	42,741	—	—	209,307	2,47,529
1948-49	7,783	12,925	13,966	32,648	76,080	1.40 012
1949-50	1,395	2,673	17,438	36,765	57,694	1,05,995

TABLE No. 5

Yearly Mill Consumption of Cotton in India by Varieties (1940 to 1949)

[All figures in 000's of bales regardless of weight.]

Year ending		Indian	American	Egyptian	Sundries	Total
31st July	1940	2,995	63	70	299	3 427
" "	1941	3 591	75	68	303	3,837
" "	1942	3.842	27	88	436	4,393
" "	1943	4,107	27	82	324	4,540
" "	1944	4.091	Nil	184	315	4,590
" "	1945	4,159	6	155	398	4,718
" "	1946	4,495	12	141	372	5,020
" "	1947	3,162	5	154	377	3,698
" "	1948	3,456	2	177	318	3,953
" "	1949	3,547	7	216	280	4,050

TABLE No. 6

Consumption of INDIAN Cotton in the Various Provinces of British India and Indian States during the last 6 years upto 1948-49

(Based on returns made under the Indian Cotton Cess Act.)
(Figures in thousand bales of 400 lbs.—September-August.)

		1943–44	1944–45	1945–46	1946–47	(Union of India)* 1947–48	1948–49
Bombay Island	...	1,199	1,224	1,124	842	1,006	798
Ahmedabad	...	429	402	383	296	390	361
Bombay Presidency	...	1,907	1,911	1,769	1,366	1,644	1,477
Madras Presidency	...	597	604	566	455	508	516
United Provinces	...	414	411	369	300	343	251
C.P. & Berar	...	148	170	156	142	158	150
West Bengal	...	138	136	129	101	111	87
Punjab	...	183	181	168	144	90	13
Bihar	...	—	—	—	—	—	4
Rest of India	...	52	52	54	50	47	—
Total of India	...	3,438	3,465	3,211	2,558	2,986	2,498
Total of Indian States	...	678	695	660	594	670	128*
Total for India	...	4,116	4 160	3,871	3,152	3,571	2,626†

* This figure is for Part "C" States and includes Ajmer, Kutch, Bhopal and Delhi. Delhi was taken along with Punjab upto 1947-48.

† Bales of 392 lbs.

TABLE No. 7

Imports of Cotton Twist and Yarn into India (1939 to 1949-50)

(000's omitted)

Year (April-March)	U.K. Quantity lbs.	U.K. Value Rs.	Japan Quantity lbs.	Japan Value Rs.	Total (all countries) Quantity lbs.	Total (all countries) Value Rs.
1939–40	2,829	3,164	27,164	24,211	41 132	35,196
1940–41	1,297	1,963	11,822	15.484	19,334	21,795
1941–42	370	848	4,207	7,283	8,173	12,405
1942–43	60	141	...	...	945	1,632
1943–44	66	136	...	...	630	1,184
1944–45	45	121	...	...	192	402
1945–46	123	368	...	...	123	368
1946–47	151	649	...	...	217	918
1947–48 (Union)	2,413	9,998	25	67	8,791	30,873
1948–49	5,461	25,220	2,660	8,496	11,071	44 976
1949–50	6,046	29,806	5,371	19,015	14,089	57,686

TABLE No. 8

Imports of Cotton Manufactures into India (1939 to 1949-50)

(000's omitted)

Year (April-March)	U.K. Quantity Yds.	U.K. Value Rs.	Japan Quantity Yds.	Japan Value Rs.	Total (all countries) Quantity Yds.	Total (all countries) Value Rs.
1939–40	144,562	36,165	393,373	51,276	579,002	96,493
1940–41	56,146	19,347	368,186	56,569	446,976	80,818
1941–42	31,213	15,416	135,684	24,858	181,539	44,531
1942–43	11,764	7,275	...	...	15 759	8,386
1943–44	3,275	2,072	...	...	3 730	2 418
1944–45	4 866	3,074	...	...	5,205	2,228
1945–46	2 639	3,300	...	...	3,184	4,313
1946–47	6,909	10,178	...	...	16,150	23,887
1947–48 (Union)	10,571	19,766	...	..	26,537	42,405
1948–49	37,062	77,246	1,388	1,096	44,921	90,965
1949–50	40,026	79,316	29,638	19,651	73,075	1,06,748

TABLE No. 9

Exports of Cotton Twist and Yarn, and Cotton Piecegoods from India (1939 to 1949-50)

(000's omitted)

Year (April-March)	Twist and Yarn Quantity Yds.	Twist and Yarn Value Rs.	Piecegoods Quantity Yds.	Piecegoods Value Rs.
1939–40	36 943	17,939	221,405	61,142
1940–41	77,723	40,912	390,144	106,432
1941–42	•90,529	73 783	772,355	265,133
1942–43	34,210	38,175	817,941	387 565
1943–44	18,937 lbs.	31,487	461 337	364 920
1944–45	16 918 lbs.	22,808	423,021	337,930
1945–46	14 497 lbs.	14,805	440,510	295,187
1946–47	3,791 lbs.	4,418	318,019	249 247
1947–48 (Union)	42 lbs.	56	192 422	180,276
1948–49	7,408	12,893	340,865	362,388
1949–50	62,293	112,972	689,973	575,883

TABLE No. 10

Quantities of Yarn Spun and Woven Goods manufactured in Indian Mills (1937 to 1949-50)

(000's omitted)

Year (April-March)		Yarn lbs.	Piecegoods Yds.
1937-38		1,160,716	4,084,276
1938-39		1,303,246	4,269,269
1939-40		1,234,873	4,012,259
1940-41		1,349,038	4,269,475
1941-42		1,577,177	4,493,613
1942-43		1,533,796	4,109,337
1943-44		1,680,463	4,870,687
1944-45		1,650,925	4,726,472
1945-46		1,614,817	4,675,634
1946-47		1,222,000	3,863,932
1947-48 (Union of India)		1,329,779	3,770,017
1948-49 „	Est.	1,476,405	4,298,690
1949-50 „	„	1,303,445	3,831,371

TABLE No. 11

Changes in Customs Tariff on Cotton Yarn & Piecegoods in India since 1894 *

Yarn (upto 31-3-1949)

All counts	*Date*		*Tariff Rates*
From 10th March,	1894 to 26th Dec., 1894	...	Free
„ 27th Dec.,	1894 to 2nd Feb., 1896	...	5 p.c. *ad valorem.*
„ 3rd Feb.,	1896 to 28th Feb., 1922	...	Free
„ 1st March,	1922 to 21st Sept., 1927	...	5 p c. *ad valorem.*
„ 22nd Sept.,	1927 to 29th Sept., 1931	...	5 p.c. *ad valorem.* or $1\frac{1}{4}$ as. per lb. whichever is higher.
„ 30th Sept.,	1931 to 30th April, 1934	...	$6\frac{1}{4}$ p.c. *ad valorem* or $1\frac{7}{8}$ as. per lb. whichever is higher.

From 1st May, 1934 :—(Effective upto 31st March, 1949).

Schedule No. 47 (b).

Counts 50s and below :—

(i)	British Manufacture	...	5 p.c. *ad valorem* or $1\frac{1}{4}$ as. per lb. whichever is higher plus 1/5th of the total duty.
(ii)	Not of British Manufacture	...	$6\frac{1}{4}$ p.c. *ad valorem* or $1\frac{7}{8}$ as. per lb. whichever is higher plus 1/5th of the total duty.

Counts above 50s :—

(i)	British Manufacture	...	6 p c. *ad valorem.*
(ii)	Not of British Manufacture	...	$7\frac{1}{2}$ p.c. *ad valorem.*

COTTON PIECEGOODS (upto 31-3-1949)

	Date		*Tariff Rates*
From 10th March,	1894 to 26th Dec., 1894	...	Free
„ 27th Dec.,	1894 to 2nd Feb., 1896	...	5 p.c. *ad valorem.*
„ 3rd Feb.,	1896 to 6th March, 1917	...	$3\frac{1}{2}$ p.c. *ad valorem.*
„ 7th March,	1917 to 28th Feb., 1921	...	$7\frac{1}{2}$ p.c. *ad valorem.*
„ 1st March,	1921 to 3rd April, 1930	...	11 p c. *ad valorem.*

* An excise duty was imposed on cotton piecegoods woven in Indian mills at the rate of $3\frac{1}{2}$ per cent *ad valorem* from 1896. This excise duty was suspended in December 1925, and abolished in 1926. Imposed again from 1st March 1949 (pp. xviii).

Changed Classification. (*From 4th April 1930*)

Date	PLAIN GREY British *ad valorem* %		As. per lb.	PLAIN GREY Foreign *ad valorem* %		As. per lb.	OTHERS British *ad valorem* %	OTHERS Foreign *ad valorem* %
	(whichever is higher)			(whichever is higher)				
4th April 1930	15	or	3½	20	or	3½	15	20
1st March 1931	20	or	3½	25	or	3½	20	26
30th Sept. 1931	25	or	4⅜	31	or	4⅜	25	31½
30th Aug. 1932	25	or	4⅜	50	or	5¼	25	50
7th June 1933	25	or	4⅜	75	or	6¾	25	75
8th Jan. 1934	25	or	4⅜	50	or	5¼	25	50
1st May 1934	25	or	4⅜	50	or	5¼	25	50

POSITION SINCE 1936

Under Government of India Notification No. 341-T(10)/36, dated the 25th June 1936, protective duties on cotton piecegoods were amended as under :—

Cotton fabrics, not otherwise specified, containing more than 50 per cent of Cotton :—

(i) Grey piecegoods (excluding borderd grey chadars, dhoties, saris and scarves)—

Of British Manufacture	... 20 p.c. *ad valorem* or 3½ as. per lb. whichever is higher.
Not of British Manufacture	... 50 p.c. *ad valorem* or 5¼ as. per lb. whichever is higher.

(ii) Cotton piecegoods and fabrics not otherwise specified—

Of British Manufacture	... 20 p.c. *ad valorem.*
Not of British Manufacture	... 50 p.c. *ad valorem.*

TABLE No. 12

Customs Duty in force upto 31st March 1951

Item No.	Name of article.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of Burma.
	TEXTILE MATERIALS AND TEXTILE GOODS—		
48(1)	Fabrics, not otherwise specified, containing more than 90 per cent of artificial silk—		18 per cent *ad valorem*
	(*a*) of British manufacture ...	30 per cent *ad valorem* or 2½ annas per square yard, whichever is higher plus one-half of the total duty.	
	(*b*) not of British manufacture* ...	50 per cent *ad valorem* or 4 annas per square yard, whichever is higher plus one-half of the total duty.	

* Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

TABLE No. 12 (Contd.)

Item No.	Name of article.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of Burma.
	TEXTILE MATERIALS AND TEXTILE GOODS—(contd.)		
48(3)	Cotton Fabrics, not otherwise specified, containing more than 90 per cent of cotton—		6 per cent *ad valorem*
	(a) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves) :—		
	(i) of British manufacture[1]	15 per cent *ad valorem* or 2.5/8 annas per lb., whichever is higher plus one-fifth of the total duty.	
	(ii) not of British manufacture	50 per cent *ad valorem* or 5½ annas per lb.; whichever is higher plus one-fifth of the total duty.	
	(b) Printed piecegoods and printed fabrics—		
	(i) of British manufacture[2]	21 per cent *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
	(c) Cotton piecegoods and fabrics, not otherwise specified—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
*48(5)	Fabrics, not otherwise specified, containing not more than 10 per cent silk but more than 10 per cent and not more than 90 per cent artificial silk—		22½ per cent *ad valorem*
	(a) containing 50 per cent or more cotton—		
	(i) of British manufacture ...	30 per cent *ad valorem* or 2 annas per square yard, whichever is higher plus one-half of the total duty.	
	(ii) not of British manufacture[4] ...	50 per cent *ad valorem* or 3½ annas per square yard, whichever is higher plus one-half of the total duty.	
	(b) containing no cotton or containing less than 50 per cent cotton.		
	(i) of British manufacture ...	30 per cent *ad valorem* or 2½ annas per square yard, whichever is higher plus one-half of the total duty.	
	(ii) not of British manufacture[5]	50 per cent *ad valorem* or 4 annas per square yard, whichever is higher plus one-half of the total duty.	
48(9)	The following cotton fabrics, namely Sateens including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—		6 per cent *ad valorem*
	(a) Printed fabrics—		
	(i) of British manufactue[2]	21 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	
	(b) Other fabrics—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	

For figures 1, 2, 3, 4 and 5, see next page.
* Upto March 31st, 1949.

[1] Under Government of India, Commerce Department, notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent *ad valorem* or 2.3/16 annas per lb., whichever is higher plus one-fifth of the total duty.

[2] Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18 per cent *ad valorem.*

[3] Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-section are liable to duty at 15 per cent *ad valorem.*

[4] Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

[5] Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad volorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

NOTE.—Protective duties were discontinued with effect from 1st April, 1947, and duties converted into revenue duties.

TABLE No. 13

Total Production of Mill-made Cotton Cloth and Yarn in INDIA for 13 Calendar Years from 1938 to 1950

(000's omitted)

Period	TOTAL ALL-INDIA MILL PRODUCTION		
	Yarn Lbs.	Cloth Lbs.	Cloth Yds.
1938	1,286,035	920,834	4,303,879
1939	1,264,010	899 661	4,113,547
1940	1,274,515	921,773	4,091,446
1941	1,537,811	1,087,138	4,530,678
1942	1,528,784	1,041,419	4,024,373
1943	1,670,075	1,175,137	4,715,255
1944	1,622,923	1,186,839	4,811,357
1945	1,625,351	1,179,537	4,687,589
1946	1,396,496	966,299	4,002,787
1947 (Union)	1,295,705	902,025	3,761,974
1948 (Union)	1,447,616	1,029,690	4,319,303
1949 (Union)	1,359,119	938,914	3,904,203
1950 (Union)	1,173,036	849,860	3,667,349

(As compiled by the Textile Commissioner, Bombay, from 1945 onwards)

The Production of Pakistan alone for 1948 was as follows:

(000's omitted)

No. of Mills	Spindles	Looms	Quantity of Yarn (approx)	Quantity of cloth (approx.)
14	167	4	30,000 lbs.	100,000 Yds.

TABLE No. 14

Net Imports, Available Mill Production, and Estimated Handloom Production of Cotton Piecegoods in India, along with 'per capita' Consumption from 1919-20 to 1948-49

(Quantity in crores of yards. crore = 10 million)

Year (April-March)	Net Imports	Net available Mill Production (after deducting exports)	Estimated Handloom Production	Net available for Consumption	*Per Capita* available for consumption in yards
1919–20	90	144	56	290	9.34
1920–21	145	143	115	403	12.59
1921–22	102	157	119	378	11.81
1922–23	152	156	134	452	13.40
1923–24	142	154	101	397	12.03
1924–25	177	179	126	482	14.61
1925–26	153	179	118	450	13.18
1926–27	176	206	136	518	15.15
1927–28	194	219	130	543	16.60
1928–29	191	174	108	473	13.52
1929–30	190	229	138	557	15.97
1930–31	87	246	136	469	13.49
1931–32	78	288	139	503	14.28
1932–33	120	311	142	573	16.70
1933–34	77	289	124	490	14.17
1934–35	94	334	124	552	15.60
1935–36	94	350	137	581	16.57
1936–37	75	347	128	550	15.50
1937–38	58	384	149	591	16.42
1938–39	63	409	194	664	17.94
1939–40	56	379	182	617	16.67
1940–41	44	388	165	597	16.03
1941–42	18	372	160	550	14.20
1942–43	1	329	150	480	12.0
1943–44*	.3	441	160	601	15.0
1944–45	.5	430	150	580	15.4
1945–46	.3	423	137	560	14.0
1946–47	1.6	354	135	490	12.2
1947–48	2.6	357	131	490	12.2
1948–49	4.4	396	120	560	16†

* NOTE.—The broad purpose of the above figures is to enable the reader to view India in the world perspective of consumption of cotton textiles.

† Figures for previous years were for the Union of India. The per capita consumption of 16 yards for 1948-49 is for India and is arrived at by assuming a population of 33 crores.

TABLE No. 15

Statistics of World Cotton Spindleage in Principal Countries are shown below according to information available in August 1949

Country	*No. of Spindles*
U.K.	28,600,000
U.S.A.	23,407,000
France	8,200,000
Germany	5,500,000
Japan	3,319,000
India (Union)	10,533,000
Pakistan	167,000

TABLE No. 16

Production of Yarn and Cloth in the Union of India in each Zone during 1949

(Figures in thousands)

ZONES	1949 Yarn lbs.	1949 Cloth lbs.	1949 Cloth yds.
Bombay:			
(a) Ahmedabad City ...	188,721	177,475	909,963
(b) Bombay City ..	386,103	317,220	1,305,314
(c) Bombay Others ...	122,233	88,682	385,127
Kutch	513	...	...
Saurashtra	20,814	15,166	59,672
Madhya Bharat	83,444	71,400	251,136
Bhopal	4,232	4,273	16,132
Ajmer-Merwara	12,159	6,611	22,511
Rajasthan	14,029	10,214	29,380
Delhi	37,009	22,964	79,760
Punjab	5,332	4,483	18,136
Uttar Pradesh	112 785	81,382	307,351
Bihar	1,539	1,113	4,987
West Bengal	36,925	31,322	148,775
Madhya Pradesh	54 832	30,616	111,572
Hyderabad	22,461	19,882	67,679
Madras	221,814	35,483	115,848
Mysore	26,911	15,444	51,117
Kerala	5,546	3,288	12,819
Orissa	47	...	...
Pondicherry*	2,690	1,896	6 924
Total	1,369,119	938,914	3,904,203

* Excluded from April 1949.

TABLE No. 17

Number of Mills, Looms and Spindles installed in India as on 1-1-1950

ZONE	Mills	Spindles (Rings & Mules)	Looms
Bombay:			
(a) Ahmedabad City	66	1,867,580	41,527
(b) Bombay City	63	2,969,318	64,462
(c) Bombay Others	48	1,170,348	22,907
Kutch	1	5,312	...
Saurashtra	10	153,056	2,988
Madhya Bharat	16	408,114	10,740
Bhopal	1	25,004	400
Ajmer-Merwara	4	63,920	1,716
Rajasthan	6	56,088	1,072
Delhi	3	139,628	3,427
East Punjab	3	32,356	538
Uttar Pradesh	22	722,224	12,181
Bihar	2	28,896	746
West Bengal	16	401,607	7,952
Madhya Pradesh	11	364,372	7,373
Hyderabad	6	119,392	2,492
Madras	72	1,732,512	7,404
Mysore	7	184,648	2,425
Kerala	7	91,068	716
Orissa	1	29,012	432
Total	365	10,554,455	191,498

AN UP-TO-DATE NOTE ON NEW INDUSTRIES AUXILIARY TO THE TEXTILE INDUSTRY (1950)

BOBBINS:

The total number of Bobbin Factories existing today is 64. About 47 factories submit their returns periodically.

The estimated production of the indigenous manufacturers has been reckoned as 3 lakhs gross per year and the textile industry's annual requirement at 4,50,000 gross. So as to encourage this nascent industry, the Sub-Committee for Development of Indigenous Production of Millstores and Accessories, constituted under the aegis of the Textile Advisory Committee, has recommended a quantitative ceiling of 1 lakh gross of bobbins for import in 1950 banning certain types of bobbins that could be manufactured satisfactorily in India.*

Apart from the above, imports of machinery, duty-free imports of foreign timber like Birch, Beech, etc. and other facilities conducive for progressive development are available to this industry.

SHUTTLES:

Unlike the Bobbin industry, efforts made during the war years to develop shuttle manufacturing industry have not met with success owing mainly to the fact that India

* According to the All-India Bobbin Manufacturers' Association, Bombay, the production capacity of the bobbin factories in India would be of the order of 4½ lakhs gross. Their contention is that in view of the production capacity of the number of factories for the manufacture of both big and small bobbins, the import of bobbins except of special varieties which cannot be manufactured in India should be stopped.

In the interest of development of a new auxiliary industry, it is the duty of the mill industries also to lend maximum support to increase production, even at some sacrifice.

has had to depend upon imports of almost all the raw materials required, such as Cornelwood, Steel Tongues, Heel Springs, Eyes, etc.

There are at present over 20 factories with a rated capacity of 2,000 gross of shuttles a year, some of which have up-to-date and automatic machineries installed for the production of good quality shuttles.

With a view to assisting the growth of industry, imports of shuttles are being considerably restricted. To ensure regular supplies of Timber for the manufacture of Shuttles, the Development Sub-Committee have recommended that Shuttle Factories should be allowed to import freely Cornel and Persimmon Wood in blocks even from Dollar Areas free of duty.

COTTON HEALDS AND WIRE HEALDS:

Details about our annual requirements and indigenous production are given below:

	Total requirement	*Indigenous Production*	*Rated Capacity*
Cotton Healds (In Sets)	About 11,00,00	1,50,000	7,50,000
Wire Healds (In Bundles)	„ 80,000	..	60,000

Imports of cheap Japanese Cotton & Wire Healds were stated to be the main difficulties faced by the Indigenous industries apart from the poor response shown by the consumers. Restrictions on imports are expected to eliminate these difficulties gradually.

PICKERS:

1. The total requirement of the textile industry is estimated at 37,500 gross per year.
2. Whereas some reliable statistics could be collected from organised factories the industry largely carried on its manufacturing activities in cottages in the villages and among illiterate 'Chamars'; authentic figures about actual production are not therefore available.
3. It is however understood that there are about 55 Picker factories with capacity adequate enough to meet the textile industry's total requirements.
4. As a substantial aid to the development, only about 2,000 gross of Pickers are allowed to be imported at present.
5. As heavy dry framed hides from Java, Batavia and other Soft Currency countries in the Far East were considered to be extremely suitable for the manufacture of good Pickers, the Sub-Committee for Development of Indigenous Production of Millstores and Accessories have recommended the removal of the ban on imports of hides from these areas. Duty-free import of Sperm Oil was also recommended so that the Picker manufacturers could get the genuine stuff for steeping purpose at competitive rates.

BUFFERS:

1. The annual requirement for the total loomage existing at present is computed to be in the neighbourhood of 4,00,000 lbs.
2. This item is considered to be easier to manufacture than Pickers.
3. The indigenous manufacturers are stated to be in a position to meet the textile industry's requirements though it is felt that there is considerable scope for improvement in the quality.
4. The Development Sub-Committee have therefore recommended to the Government a gradual reduction in imports allowing, in the first instance, only 1 lakh lbs. per annum. Imports of suitable hides were also recommended.

ROLLER SKINS:

Annual requirement of this item for the textile industry is estimated to be 56,000 doz. It is felt that to a certain extent this quantity is well within the manufacturing capacity of the indigenous factories. It was therefore recommended to remove this item from O.G.L. and to restrict imports to the extent of 15,000 doz. only per annum.

PICKING BANDS:

1. The requirement of the textile industry is 4½ lakhs lbs. a year.
2. As there were no authentic data available about the actual indigenous production or the rated capacity and as it was conceded that the quality of indigenous production was not of the very best, a gradual reduction in imports is at present visualised. The Government has been approached to extend to the manufacturers import facilities for securing suitable hides.

Customs Duty on Import of RAW COTTON (1950)

Duty imposed on 31st March 1931, @ 0-0-6 per lb.

Increased Duty from 31st March 1939, @ 0-1-0 per lb.

Increased Duty from 29th January 1942, @ 0-2-0 per lb.

The Cotton Fund Ordinance under which the duty was levied was repealed by Clause 8 of the Indian Finance Act, 1946, but the duty was amalgamated into a consolidated duty of two annas a pound without any surcharge, which will be leviable only under the Indian Tariff Act.

Thus, present duty is @ 0-2-0 per lb.

A refund has been granted on the import duty as from 1st February 1950, on the cotton contained in fine and superfine cloth actually exported out of India, at a flat rate of 2 annas per pound on the net weight of the cloth. No refund of customs import duty is, however, granted on cotton contained in medium and coarse cloth. Likewise, no refund of import duty is admissible on Pakistan cotton (if any) contained in fine and superfine cloth.

Customs Duty on Export of COTTON CLOTH and YARN

A Customs Duty at 3 per cent was imposed on all cloth and yarn manufactured in India and exported from British India at the rate of 3 per cent of the maximum ex-factory price, with effect from 1st February 1945. It also applied to handloom cloth. This duty which was levied under Cotton Textiles Fund Ordinance till 1947, was superseded by a revenue duty of 4 as. per sq. yd. on cloth and 6 as. per lb. on cotton yarn exported from India as provided in the supplementary budget introduced by the Finance Minister in the Constituent Assembly (Legislative), India, on 26th November 1947. The duty was subsequently converted into an *ad valorem* duty of 25% on cloth. Handloom cloth, and cotton yarn was exempted from payment of duty from 1st March 1948 under the Indian Finance Act, 1948.

Early in November 1948, the export duty on cloth was reduced to 10% *ad valorem,* and from 1st June 1949, the duty was abolished altogether, in order to stimulate exports.

From 1st March 1951, an export duty of 10% *ad valorem* was imposed on export of medium and coarse cloth made mostly out of Indian cotton. The revenue estimate is Rs. 2.5 crores.

Export Duty on RAW COTTON

On 26th October 1946, the Government of India issued an Ordinance amending the Indian Tariff Act, by which Government were empowered to impose an export duty on raw cotton at such rate, not exceeding seventy-five rupees per bale of 400 lbs., as they may, by notification, in the official *Gazette,* from time to time, determine. By a notification, dated the 26th October 1946, Government fixed the rate of duty at Rs. 20 per bale of 400 lbs. which came into force from the date of notification, i.e. 26th October 1946. This duty was increased by Government to Rs. 40 per bale of 400 lbs. in January 1948.

The duty on export of raw cotton was further enhanced to Rs. 100 per bale of 400 lbs. as from 1st February 1949. A further increase in the duty was made to Rs. 400 per bale of 400 lbs. with effect from 8th November 1950.

Cess on RAW COTTON

A cess at the rate of as. 4 per bale was imposed, with effect from September 1949, on cotton produced in India, and either exported from any customs port to any port outside India or consumed in any mill in India. The yield of the cess is expected to be about Rs. 9 lakhs per year. These funds are for the Indian Central Cotton Committee.

Excise Duty on CLOTH in India

By an Ordinance promulgated by the Government of India, on *1st January 1949*, amending the Central Excises and Salt Act, 1944, an excise duty of 25 per cent *ad valorem* of ex-mill price was levied with effect from the date of the Ordinance, on superfine cloth, i.e. cloth in which the count of warp yarn (whether single or folded) is 48s or finer. The Indian Finance Act, 1949, extended the duty with effect from *1st March 1949*, to the fine, medium and coarse varieties of cloth—the rate of duty being 6¼ per cent *ad valorem* in respect of fine cloth, and at Re. 0-0-3 per yard in case of coarse and medium cloths.

The position of Excise duties in (September 1949) was as follows:—

Superfine cloth—25% of ex-mill price.
Fine cloth—6¼% of ex-mill price.
Medium and Coarse cloth—Re. 0-0-3 per yard.

Revised Excise Duty on Cloth from 1950

These excise duties were revised from 1st February 1950, as follows:—

Superfine cloth—20% of ex-mill price.
Fine cloth—5% of ex-mill price.
Medium and Coarse cloth—Re. 0-0-3 per yard.

It may be added that this reduction was made with a view to offsetting the increase in price to the consumer, which was caused when in November 1949, an *ad hoc* cut of 4% was made in the ex-mill prices of cloth and yarn, followed by a compensatory small increase in the prices of superfine and fine varieties on protests made by the industry.

Powerloom and handloom cloth is exempt from this duty.

5 per cent Surcharge on Imports of Cloth and Yarn

From 1st March 1951, a surcharge of 5% was imposed on all imports. This surcharge will also apply to imports of cloth and yarn.

TABLE No. 18

Estimated per capita Consumption of Cotton Piecegoods in India in 1945-46, 1946-47, 1947-48, and 1948-49

(In million yards)

	1945-46	1946-47	1947-48	1948-49
Net available Mill Production (after deducting exports) ...	4,230	3,545	3,578	3,958
Estimated Handloom Production	1,360	1,350	1,316	1,200
Estimated Hand Woven Cloth from Handspun Yarn	140	100	100	100
Net Import of Cotton Piecegoods	3	16	26	44
Net Quantity of Cotton Piecegoods available for consumption	5,733	5,011	5,020	5,302
Estimated *per capita* consumption of Cotton Piecegoods ...	14	12.2	12.2	16*

* The previous year's figures were for the Union of India. The figures from 1948-49 are for India only and the *per capita* consumption is estimated on the basis of a population of 33 crores.

THE TEXTILE CONTROL ORDER, 1948

(As amended upto 18th November 1950)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

New Delhi, the 2nd August 1948.

No. 80-Tex. 1/48.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order, namely :—

1. (i) This Order may be called the Cotton Textiles (Control) Order 1948.
   (ii) It extends to all the Provinces of India.
   (iii) It shall come into force at once.

2. The Cotton Textiles (Control) Order, 1948 (Notification No. 80-Tex. 1/48 dated the 19th February 1948) is hereby repealed provided that any order made, notification issued, right accrued, penalty incurred, or anything done or deemed to have been done under the said Order shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this Order.

3. In this Order, unless there is anything repugnant in the subject or context—

(*a*) "Cloth" and "Yarn" mean respectively any type of cloth or yarn manufactured either wholly from cotton or partly from cotton and partly from any other material, but "cloth" does not include—

(i) ready-made clothing other than dhoties and sarees;

(ii) hosiery including hosiery knitted tubular fabric which has only a running thread knitted through the entire fabric;—

(iii) leather cloth, inferior or imitation leather cloth ordinarily used in book-binding and book-binding cloth;

(iv) tracing paper;

(v) cloth manufactured partly from cotton and partly from wool and containing 40 per cent or more of wool by weight;

(vi) rubberised or synthetic water-proof fabrics whether single-textured or double-textured;

(*b*) "Controller" means the principal officer appointed by a Provincial Government for the administration of the Textile Control and includes any other officer appointed by such Government to perform the functions of the Controller under this order or under the rules, orders and notifications issued thereunder;

(*c*) "dealer" means a person carrying on the business of selling cloth or yarn or both, whether wholesale or retail and whether or not in conjunction with any other business and shall include master weavers of handloom cloth;

(*d*) "manufacturer" includes a producer or processor, and the expression 'manufactured' and its grammatical variants shall be construed accordingly;

(*e*) the expression 'offer to sell' shall be deemed to include a reference to an intimation by a person of the price proposed by him for the sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price by the furnishing of a quotation or otherwise howsoever;

(*f*) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person;

(*g*) "processor" means a person engaged exclusively in any process ancillary to the production of cloth or yarn such as dyeing, bleaching, embroidering, printing and finishing; and the expression 'process' and its grammatical variants shall be construed accordingly;

(*h*) "producer" means a person engaged in the production of cloth or yarn or both by power as defined in section 2(*f*) of the Factories Act, 1934, and the expression 'produce' and its grammatical variants shall be construed accordingly;

(*i*) "schedule article" means an article specified in Shedule A, and includes any other article declared by the Central Government to be scheduled article for the purposes of this order;

(*j*) "starch" means starch made from wheat, rice, maize, jowar or any other foodgrain or from tapioca or potatoes and includes derivatives of starch and any modified form of starch so made;

(*k*) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes such Additional or Joint Textile Commissioners as may be appointed by the Central Government.

RAW MATERIALS AND STORES

4. No person shall manufacture starch other than starch made from pioca except under and in accordance with the terms of a licence ·anted by the Textile Commissioner.

5. (1) Every importer of a scheduled article shall within 15 days the date of the arrival of the consignment containing such article rnish to the Textile Commissioner the following information in respect the consignment—

(*a*) description and quantity of each of the articles included in the consignment;

(b) the landed cost of each item together with invoices and all other documents evidencing the price, buying commission, insurance premium, freight, customs duty, landing and clearing charges paid up to the deposit of the consignment in the consignee's warehouse or other place of storage.

(2) No importer shall sell or otherwise dispose of any such scheduled article, imported by him except in accordance with the instructions given to him by the Textile Commissioner ; provided that if the importer does not receive any such instructions from the Textile Commissioner within 30 days of the receipt by the Textile Commissioner of the information submitted under sub-clause (1), the importer may subject to the provisions of clauses 6, 8 and 30 dispose of the consignment.

6. No person shall sell or dispose of any scheduled article except under and in accordance with—

(a) a seller's licence granted to him by the Textile Commissioner ;

(b) a direction given to him by the Textile Commissioner under clause 8.

7. No person shall purchase or otherwise acquire any scheduled article except under and in accordance with a buyer's licence granted by the Textile Commissioner.

8. The Textile Commissioner may by order in writing require any importer of or dealer in any scheduled article to sell to such person as may be specified in the Order such quantities of the scheduled article and in the case of a scheduled article of which the maximum prices have not been fixed under clause 9 at such price, as may be specified in the Order.

9. (1) The Textile Commissioner may by notification in the *Gazette of India* fix the maximum prices or rate at which any scheduled article may be sold ;

(2) No person shall sell or offer to sell a scheduled article at a price exceeding maximum price specified under sub-clause 1.

10. (1) The Textile Commissioner may direct any person carrying on the business of producing or selling any scheduled article to mark such articles exposed or intended for sale with the sale price thereof, or to exhibit in his premises a price list of articles held by him for sale ; and may further give directions as to the manner in which such directions shall be carried out.

(2) The Textile Commissioner may by order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to all persons carrying on the business of producing or selling any scheduled article or to any person or any class of such persons.

11. (1) Applications for licences under this Order shall be made in such form as the Textile Commissioner may prescribe ;

(2) The Textile Commissioner may, without assigning any reason, refuse to grant a licence to any person and his decision shall be final;

(3) The Textile Commissioner may specify in the licence the conditions, if any, under which it is issued and the licensee shall comply with such conditions;

(4) The fees for the grant of a licence shall be such as the Textile Commissioner may, by notification in the official Gazette prescribe;

(5) Subject to the provisions of sub-clause (6) the licence shall be valid for the period specified therein and may be renewed;

(6) If the holder of a licence has supplied incorrect information in his application or in any return submitted by him or if he contravenes any condition of the licence, or if at any time the Textile Commissioner is satisfied that for any other reason the licensee is not a fit person to hold the licence, the Textile Commissioner may in his discretion and without prejudice to any other action which may be taken against the licensee, cancel or suspend his licence, and the order of the Textile Commissioner shall be final.

CLOTH AND YARN

12. (1) No producer who has a spinning plant shall in any quarter—

(*a*) purchase a quantity of yarn exceeding $\frac{1}{4}$th of the quantity of yarn purchased by him in the year 1944;

(*b*) sell a quantity of yarn less than $\frac{1}{4}$th of the quantity of yarn sold by him in the year 1944.

(2) No producer who has no weaving plant shall install or cause or permit to be installed any loom in his undertaking.

(3) No person shall acquire or instal any loom to be worked by power as defined in section 2 (*f*) of the Factories Act, 1934.

(4) Any person having in his possession any loom which he is not entitled to work or cause or permit to be worked in accordance with this clause shall forthwith report the fact to the Controller and shall take such action as to its sealing or storage as the Controller may direct.

13. No person shall manufacture or cause to be manufactured any cloth containing any sizing or filling material or both of any description exceeding in the aggregate—

(i) in the case of cloth wherein the count of warp yarn employed in 14s or coarser, 15 per cent of the weight of the cotton in the cloth;

(ii) in other cases, 10 per cent of the weight of the cotton in the cloth.

14. No person shall use wheat flour or glucose for the purpose of sizing or filling cloth.

15. No person shall sell or otherwise dispose of or purchase or otherwise acquire for the purpose of sale any cloth which has been manufactured in contravention of clause 13 or clause 14.

16. (1) For the purpose of clauses 13 to 15 the proportion of sizing or filling material or both relative to the weight of the cotton in any finished cloth shall be determined by such test carried out by such person and in such manner as the Textile Commissioner, may, by notification prescribe.

(2) A certificate signed by an officer authorised to carry out tests in pursuance of sub-clause (1) stating the result of the test shall be conclusive proof that the test has been duly carried out in the manner prescribed and that the result thereof is as is stated in the certificate.

17. * * *

18. * * *

19. No producer shall produce any cloth with a border whether plain, dobby or jacquard containing folded yarn in excess of what is required for a 2″ border.

20. The Textile Commissioner may from time to time issue directions in writing to any producer or class of producers or the producers generally, regarding the classes or specifications of cloth or yarn, and the maximum or the minimum quantities thereof, which they shall or shall not produce during such periods as may be specified in the directions, and they shall comply with such directions.

20A. No producer other than a producer who has no spinning plant shall produce any article of clothing or any other article from cloth.

20B. (i) No producer shall employ any spindle in his undertaking except for the spinning of yarn ;

(ii) No producer having a spinning plant shall employ any loom in his undertaking except for the weaving of cloth ;

(iii) No producer shall produce any yarn from a mixture of Indian cotton with foreign cotton.

Explanation :—'Indian cotton' and 'Foreign cotton' respectively shall have the meanings assigned to them under the Cotton Control Order, 1949 ; but 'Foreign cotton' for the purposes of sub-clause (iii) does not include cotton grown in Pakistan.

20C. No producer having a spinning plant shall undertake or carry out—

(*a*) any processing of any cloth or yarn not produced by him ;

(*b*) the spinning of yarn out of cotton or cotton waste not owned by him.

21. (1) No manufacturer of cloth shall pack cloth except in bales containing not less than 1,450 yards and not more than 1,550 yards.

(2)) No manufacturer of yarn shall pack yarn except in bales or packages containing not less than 380 lbs. and not more than 420 lbs.

(3) No manufacturer of cloth or yarn shall pack during any month a quantity of cloth or yarn less than—

(i) 80 per cent of the total quantity of cloth or yarn respectively produced by him during the preceding month or

(ii) one-sixteenth of the total quantity of cloth or yarn respectively packed by him during the year 1948 whichever is lower.

(4) The Textile Commissioner, subject to sub-clause (1) and (2) by a general or special order prescribe the manner in which any manufacturer shall pack cloth or yarn in bales or packages.

(5) No producer shall pack any cloth or yarn for export unless the same is covered by a contract of sale against a valid export licence.

22. (1) The Textile Commissioner may specify—

(*a*) the maximum prices ex-factory, wholesale and retail at which any class or specification of cloth or yarn may be sold;

(*b*) the markings to be made by a manufacturer or dealer on any class or specification of cloth or yarn manufactured or sold by him and the time and manner of making such markings.

(2) Notwithstanding anything contained in sub-clause (1) above the Provincial Government or an officer authorised by the Provincial Government in this behalf may fix—

(*a*) the ex-factory maximum price for the purpose of the special markings under clause 26 in respect of any type of cloth for which such price has not been specified by the Textile Commissioner under the said sub-clause;

(*b*) the maximum ex-factory, wholesale and retail at which any cloth produced by a manufacturer or other person referred to in the explanation to sub-clause (2) of clause 23 may be sold and may further specify the markings to be made on such cloth and the time and manner of making them.

(3) A Court shall presume unless the contrary is proved that the markings made on any cloth or yarn in the manner specified under this clause are made in accordance with this Order and that the prices so marked are the maximum prices specified under this clause.

23. (1) Where the marking to be made and the time and manner of making it in respect of any class or specification of cloth or yarn have been specified under clause 22—

(*a*) the manufacturer of, or, as the case may be the dealer in such cloth or yarn shall cause the marking to be made thereon at the time and in the manner specified;

(*b*) no person other than such manufacturer or dealer shall cause the marking to be made on any such cloth or yarn;

(c) no person other than the manufacturer shall have in his possession or under his control any cloth or yarn which is not so marked, unless it be for *bona fide* personal requirements;

(d) no person shall alter or deface or cause or permit to be altered or defaced any marking made on any such cloth or yarn held by him otherwise than for his *bona fide* personal requirements;

(e) no person shall make on any cloth or yarn any marking resembling the prescribed marking;

(f) no person shall have in his possession or under his control otherwise than for his *bona fide* personal requirements any cloth or yarn the marking whereon is altered or defaced or is of a character specified in paragraph (e).

(2) No manufacturer shall sell or deliver—

(i) any cloth or yarn of which the maximum ex-factory price has not been specified by the Textile Commissioner under clause 22; and

(ii) any cloth unless he has previously sent to the Textile Commissioner a sample of such cloth of the dimensions of 6 in. × 6 in. together with true and accurate information, in the Forms prescribed for this purpose by the Textile Commissioner, about the manufacturing particulars thereof and the manner in which its price has been calculated.

Explanation :—Nothing in this sub-clause applies to a manufacturer who does not manufacture any yarn or to a processor other than a processor of cloth or yarn produced by a producer having a spinning plant or to a person engaged in the production of handloom cloth.

(3) No person shall in the manufacture of cloth use yarn (other than handspun yarn) the maximum ex-factory price of which has not been specified by the Textile Commissioner under clause 22.

24. (1) No manufacturer or dealer shall sell or offer to sell any cloth or yarn at a price higher than the maximum price specified in this behalf under clause 22.

(2) Every sale of cloth or yarn by a dealer except to a consumer shall be at a price either F.O.R. station of despatch or ex-godown of storage at the buyer's option: Provided that the commission of a commission agent shall be paid by the buyer.

(3) No person acting as a commission agent in respect of a sale of cloth or yarn to which sub-clause (2) applies shall receive a commission which exceeds ½ per cent of the maximum price of the cloth or yarn the subject-matter of such sale.

(4) The Textile Commissioner may by notification in the official Gazette provide for the giving of a cash memorandum by any manufacturer or dealer in respect of any sale transaction and for the particulars to be contained in any such cash memorandum.

(5) No manufacturer or dealer shall, without sufficient cause, refuse to sell cloth or yarn to any person.

Explanation :—The possibility or expectation of obtaining a higher price at later date shall not be deemed to be a sufficient cause for the purposes of this clause.

25. (1) Notwithstanding anything contained in sub-clause (2) no manufacturer or dealer shall after the 30th November 1948, buy or sell or have in his possession any cloth or yarn manufactured in India and packed before the 1st August 1948.

(2) No manufacturer or dealer shall buy or sell or have in his possession any cloth or yarn after the expiration of twelve months from the last day of the month marked on the cloth or yarn in accordance with a direction given under clause 22 and no person shall buy or sell or have in his possession any such cloth or yarn in unopened bales or cases after the expiration from the said date of a period or three months in the case of a manufacturer and a period of six months in any other case.

(3) For the purposes of this clause—

(i) a bale or case shall be deemed to be unopened if the hoops or other bindings and all outer coverings have not been removed;

(ii) cloth or yarn of Indian manufacture not bearing any markings in accordance with the directions under clause 22 shall unless the contrary is proved, be deemed to have been manufactured and packed before the 1st August 1948.

(4) Nothing in this clause shall apply to handloom cloth.

26. Notwithstanding anything contained in sub-clause (1) and (2), of clause 25, any cloth or yarn not disposed of within the period specified may be kept and sold by a dealer subject to the conditions notified in this behalf by the Textile Commissioner prescribing the special markings to be made on such cloth or yarn, the agency by which the marking shall be made and the fee payable for such marking :

Provided that no such cloth or yarn shall be kept undisposed of by any dealer, or any person holding on behalf of a dealer for more than six months after the date of such marking.

27. Wherein in pursuance of clause 22(1) (*b*) or clause 26, any piece of cloth is required to be marked at one end with the ex-factory price or with the price at which it is to be sold retail, and the piece is not sold as a whole, that portion of the piece containing the price marking shall be sold last by the dealer.

28. (1) No producer shall, at any time, have in his possession—

(*a*) the quantity of unpacked cloth exceeding the total quantity of cloth produced by him during the preceding two months;

(*b*) a quantity of yarn exceeding—

(i) in the case of a person engaged in the production of yarn alone, the quantity of yarn produced by him during the preceding two months ;

(ii) in the case of a person engaged in the production of cloth alone, the quantity of yarn reasonably required by him for producing cloth during the next two months ; and

(iii) in the case of a person engaged in the production of cloth and yarn the sum total of the quantity of yarn reasonably required by him for the production of cloth during the next two months and the quantity equal to the yarn produced by him during the preceding two months over and above his own requirement during that period.

Explanation : For the purposes of this sub-clause cloth on looms and yarn in the course of manufacture into cloth shall be excluded in computing the stocks in possession of a producer.

(2) No person engaged in manufacturing from cloth or yarn articles of clothing or other articles such as ropes, tapes, newar, bandages or canvas shall at any time have in his possession stocks of cloth or yarn in excess of the quantity of cloth or yarn used by him during the preceding two months in such manufacture.

(3) No dealer or processor shall at any time have in his possession stocks of cloth exceeding the total quantity of cloth sold by him during the preceding six months or exceeding such quantity as is fixed in this respect by a special order by the Textile Commissioner or by the Provincial Government or any officer authorised by the Provincial Government in this behalf.

(4) No person shall at any time for his own needs and the needs of his family have in his possession a quantity of cloth exceeding the quantity calculated at the rate of 60 yards for every person above the age of 6 and 30 yards for every person who has not completed that age.

(5) Nothing in sub-clause (2) and (3) applies to the possession by any person carrying on the business of banking of cloth or yarn pledged with him by a dealer or a manufacturer.

(6) For the purposes of sub-clause (2) any yarn agreed to be sold to a dealer by a manufacturer and of which delivery has not been taken by the due date shall be deemed to be in the possession of the dealer and not the manufacturer.

29. (1) Any person having in his possession cloth or yarn in excess of the quantity permitted under clause 28 shall forthwith report the fact, in the case of a manufacturer to the Textile Commissioner and in other cases to the Controller.

(2) Any manufacturer or dealer in possession of cloth or yarn in respect of which the period for disposal prescribed under clause 25 or under the proviso to clause 26 is about to expire may report the fact to the Textile Commissioner or the Controller respectively.

(3) Any person making a report under sub-clause (1) or sub-clause (2) shall take such action as to the storage, distribution or disposal of the cloth or yarn as the Textile Commissioner or the Controller may direct.

ADDITIONAL POWERS OF THE TEXTILE COMMISSIONER

30. The Textile Commissioner may, with a view to securing a proper distribution of cloth or yarn or with a view to securing compliance with this order, direct any manufacturer or dealer, or any class of manufacturers or dealers—

(*a*) to sell to such person or persons such quantities of cloth or yarn as the Textile Commissioner may specify;

(*b*) not to sell or deliver cloth or yarn of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify; and

may issue such further instruction as he thinks fit regarding the manner in which the direction is to be carried out.

31. The Textile Commissioner may, with a view to securing compliance with this order—

(*a*) require any person to give such information in his possession with respect to any business carried on by that or any other person;

(*b*) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;

(*c*) enter and search, or authorise any person to enter and search, any premises and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

32. (1) The Textile Commissioner may, by an order in writing, direct any person who carries on the business of producing or selling a scheduled article—

(*a*) to maintain such records of his purchases, sales, contracts, or other matters connected with his undertaking or business and in such form and manner as may be specified in the order;

(*b*) to submit to such authority returns or statements in such forms and containing such information relating to his undertaking or business and at such times as may be specified in the order.

(2) The Textile Commissioner may by general order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to any class of persons referred to therein.

33. (1) The Textile Commissioner may by a general or special permit exclude from or modify or relax to such extent as may be speci-

fied by him, the operation of any such provision in respect of any person, act or thing or any class of persons, acts or things.

(2) The Textile Commissioner may in any such permit impose conditions, limitations and restrictions subject to which such permit shall have effect.

(3) Notwithstanding anything contained in this order, the provisions of the clauses specified in Schedule C shall have effect subject to the powers of the Textile Commissioner under sub-clauses (1) and (2) to withdraw, modify, or relax any or all of the restrictions enacted in those provisions.

34. The Textile Commissioner may by a general or special order in writing and with the previous sanction of the Central Government authorise any officer to exercise on his behalf or any of his functions and powers under this order.

PROCEDURE AND PENALTY

35. No person shall, with intent to evade the provisions of this order, refuse to give any information lawfully demanded from him under clause 31 or clause 32, or conceal, destroy, mutilate, or deface any book or other document kept by him in the course of his business.

36. * * *

37. Any court trying a contravention of any of the provisions of this order may direct that any article or articles in respect of which it is satisfied that the order has been contravened shall be forfeited to His Majesty.

SCHEDULE 'A'

I. Cotton Card Clothing and Card Clothing Sundries for Flat Cards :—

(1) Cylinder Fillet.
(2) Doffer Fillet.
(3) Sets of Tops.
(4) Stripping Fillet.
(5) Burnishing Fillet.
(6) Hand Stripping Cards.
(7) Walton Bruses.
(8) Spiral Strips.
(9) Phillipsons Sheets.
(10) Phillipsons Top Clearer Strips.
(11) Ashworths Top Clearer Strips.
(12) Ashworths Dirt Roller Fillet.
(13) Rhodes Stripping Fillet.
(14) Lickerin Wire.
(15) Blue Steel Wire for Roving Waste openers.
(16) Card Tasks.
(17) Raising Fillet.

For Waste and Wedding Cards :—

(18) Cylinder Fillet.
(19) Doffer Fillet.
(20) Roller Fillet.
(21) Clearer Fillet.
(22) Fancy Fillet.
(23) Under Clearer Fillet.
(24) Fancy Stripper Fillet.
(25) Humbug Fillet.
(26) Feed Roller Fillet.
(27) Lockerin Fillet.
(28) All other Card Clothing and Sundries.

II. Bobbins for use on Textile Machines other than Jute and Hemp :—

(1) Slubbing Tubes.
(2) Roving Tubes.
(3) Ring Rabbeth.
(4) Ring Weft Pirns (including Universal and Wadia Pirns).
(5) Ring Baubler Bobbins.
(6) Warper Bobbins.
(7) Paper Tubes and Cones.

III. Shuttles for use in Textile Looms other than Jute and Hemp :—

(1) Shuttles for Looms (Ordinary).
(2) Shuttles for Looms (Automatic).

IV. Imported Tallow.

V. Dyes derived from Coal-tar.

VI. Hydrosulphite of Soda.

VII. Starch.

VIII. Ring Spinning frames and Mules for Mules for manufacture of Cotton yarn.

SCHEDULE 'C'

Clauses 4, 6, 7, 12, 13, 14, 15, 17, 18, 19, 21, 23, 25 and 28.

18th November 1950.

MAXIMUM AND MINIMUM PRICES OF COTTON, 1950-51

NOTIFICATION

Bombay, the 21st August 1950

No. 1(57)Tex-2/50.—In exercise of the powers conferred on me by Clause 3(1) of the Cotton Control Order, 1949, I hereby fix the maximum and the minimum prices at which Indian cotton of the 1950-51 season may be sold or purchased as under:—

1. These prices shall take effect as soon as contracts relating to Indian cotton of the 1950-51 season are permitted by me under Clause 6 of the said Order.

2. The minimum and maximum prices of cotton of the descriptions specified in columns 1 and 2 of the Schedule annexed to this Notification shall be as specified in columns 3 and 4 respectively of the Schedule, provided that where the cotton, the subject-matter of the contract, is of a quality either inferior or superior to the basic quality referred to in columns 1 and 2 of the Schedule, the minimum or the maximum prices shall be decreased or increased as the case may be by an amount specified in columns 5 to 7 of the Schedule.

3. (1) The prices specified in the Schedule are in Rupees per candy of 784 lbs. nett for delivery in full-pressed bales *ex* seller's godown, Bombay, and include ¼th per cent brokerage payable by the seller to the buyer and the usual sample and stone allowances.

(2) The minimum and maximum prices for delivery at any place other than Bombay shall be the prices specified in the Schedule less the sum equivalent to the railway freight from the place of origin to Bombay and Rs. 10 per candy, plus the sum, if any, equivalent to the railway freight from the place of origin to the place of delivery to the buyer and Rs. 10 per candy.

Explanation:—The place of origin means the railway station nearest the Press Factory where the cotton was pressed.

4. [The definitions of the various types of cotton, such as Jarilla, Vijay, Surat, Punjab American, Coompta, Western, Upland, Kambodia, Karunganni, Dhollera, etc. follow.—Ed.]

SCHEDULE

Description of cotton Season 1950–51	Basic staple length inches	Basic Minimum price Rs. per candy	Basic Maximum price Rs. per candy	'Off' and 'On' allowances for class other than basic class						'Off' allowances for staple below basic staple		'On' Allowances for staple above the basic staple				
				Good	F. Good	Fine	S. Fine	Extra S. Fine	Choice	2/32"	1/32"	1/32"	2/32"	3/32"	4/32"	5/32"
		Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Jarilla ...	25/32"	495	770	...	5	Basis	5	15	25	40	20	20	45	70	...	...
Vijay ...	25/32"	565	840	...	5	Basis	5	10	15	45	20	20	45	70	100	...
Surat ...	7/8"	655	930	...	5	Basis	5	10	15	50	25	20	45	70	100	...
P/Am 4F R.G. ...	3/4"	525	800	...	5	Basis	5	10	15	40	20	20	45	70	...	...
P/Am 4F S G. ...	3/4"	545	820	...	5	Basis	5	10	15	40	20	20	45	70	...	...
P/Am L.S.S. R.G. ...	13/16"	585	860	...	5	Basis	5	10	15	45	20	20	45	70	...	...
P/Am L.S S.S.G. ..	13/16"	605	880	...	5	Basis	5	10	15	45	20	20	45	70	...	...
P/Am 289 F.R.G. ...	7/8"	675	950	...	5	Basis	5	10	15	50	25	20	45	70	100	...
P/Am 289 F.S.G. ...	7/8"	705	980	...	5	Basis	5	10	15	50	25	20	45	70	100	...
Compta ...	7/8"	645	920	...	5	Basis	5	10	15	50	25	20	45	70	100	...
Western ...	13/16"	555	830	...	5	Basis	5	10	15	45	20	20	45	70	100	...
Upland ...	13/16"	575	850	...	5	Basis	5	10	15	45	20	20	45	70	...	...
Camobdia ...	7/8"	675	950	...	5	Basis	5	15	25	60	30	40	65	90	120	...
Karunganni ...	13/16"	575	850	...	5	Basis	5	10	15	50	25	20	45	70	100	120
Dhollera ...	3/4"	...	720	...	5	Basis	5	10	15	40	20	20	45	70	...	...
Kalagin ...	3/4"	...	720	...	5	Basis	5	10	15	40	20	20	45	70	...	...
Bengal Deshi ...	...	...	595	40	20	Basis	40	60	80	...	...	...	...	...	...	...
Oomra Deshi ...	...	...	645	...	5	Basis	20	40	60	...	...	...	...	...	...	...
Mathia & Mungari ...	...	...	645	...	5	Basis	20	40	60	...	...	...	...	...	...	...
O.P. I. and O P. II ...	5/8"	...	670	...	5	Basis	5	15	25	40	20	20	45	70	...	...
Central India ...	5/8"	...	645	...	5	Basis	5	15	25	40	20	20	45	70	...	...
Buri American ...	7/8"	625	900	...	5	Basis	5	10	15	50	25	20	45	70	100	...
Parbhani American ...	7/8"	625	900	...	5	Basis	5	10	15	50	25	20	45	70	100	...
Gaorani 6 and 12 ...	7/8"	625	900	...	5	Basis	5	10	15	50	25	20	45	70	100	...

THE COTTON CONTROL ORDER, 1950

MINISTRY OF INDUSTRY AND SUPPLY

NOTIFICATIONS

New Delhi, the 13th September 1950

S.R.O. 594.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is hereby pleased to make the following Order, namely :—

1. (*a*) This Order may be called the Cotton Control Order, 1950.

(*b*) It extends to the whole of India except the State of Jammu and Kashmir.

(*c*) It shall come into force at once.

(*d*) The Cotton Control Order, 1949, and any order corresponding thereto in force in a Part B State is hereby repealed :

Provided that any order made, notification issued, right accrued, penalty incurred, or anything done under the said order or any corresponding order in force in a Part B State shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this order.

2. In this Order, unless the context otherwise requires,—

(*a*) " carrier " includes a railway administration or any other person engaged in the business of transporting property from one place to another by land, air, or water ;

(*b*) " contract " means a contract made or to be performed in whole or in part in India relating to the sale or purchase of cotton ;

(*c*) " cotton " means—

(i) ginned cotton ; and

(ii) ginned and pressed cotton ;

and includes both Indian and foreign cotton ;

(*d*) " cotton ginning factory " shall have the same meaning as in the Cotton Ginning and Pressing Factories Act, 1925 ;

(*e*) " foreign cotton " means cotton grown in any country outside India ;

(*f*) " form " means a form appended to this order ;

(*g*) " forward contract " means a contract for the delivery of cotton at some future date and which is not of the nature of a ready delivery contract ;

(*h*) "India" does not include the State of Jammu and Kashmir;

(*i*) "Indian cotton" means cotton grown at any place in India;

(*j*) "licensing authority" means an officer appointed in this behalf by a State Government for any specified area;

(*k*) "manufacturer" means a manufacturer of yarn;

(*l*) "option in cotton" means a contract, by whatever name called, for the purchase or sale of a right to buy or sell or a right to buy and sell cotton in future, and includes a *teji*, a *mandi* or a *teji-mandi* in cotton;

(*m*) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person;

(*n*) the expressions "yarn" and "Textile Commissioner" shall have the same meaning as they have in the Cotton Textiles (Control) Order, 1948.

3. (1) The Textile Commissioner may fix the maximum and the minimum prices at which any cotton or kapas or cotton seed may be sold or purchased.

(2) Where the maximum and minimum prices have been fixed as aforesaid in respect of any cotton or kapas or cotton seed, no person shall sell or offer to sell or purchase or offer to purchase any such cotton or kapas or cotton seed at a price exceeding the maximum or lower than the minimum price so fixed.

4. Except in the cases excluded from the operation of this clause under clause 6, no person shall enter into:—

(*a*) any contract; or

(*b*) any option in cotton.

5. All contracts and options in cotton entered into or made after the commencement of this Order in contravention of clause 4 shall be void.

6. The Textile Commissioner may by general order and subject to such restrictions and conditions as he may prescribe exclude from the operation of clause 4 any class or description of contracts.

7. (1) The Textile Commissioner may specify the maximum quantity of any description of cotton which a manufacturer may buy during a specified period or within a specified area or which at any time he may have in his possession.

(2) No manufacturer shall buy or have in his possession a quantity of any cotton exceeding the maximum quantity specified as aforesaid.

8. Without prejudice to any order made under sub-clause (1) of clause 7, where, at any time, in the opinion of the Textile Commissioner,

any manufacturer has in his possession a quantity of cotton in excess of the quantity which would reasonably be required by him for manufacturing yarn in the next six months, it shall be open to the Textile Commissioner, to the extent of such excess, to direct such manufacturer to sell such quantity of the excess cotton at such price and on such conditions as may be specified; and every manufacturer shall comply with such direction.

9. No person shall purchase, sell, store or carry on business in cotton or shall hold cotton in hypothecation or against a pledge except under and in accordance with the conditions of a licence in Form "A".

Exception.—Nothing in this clause shall apply—

(*a*) to a manufacturer;

(*b*) to a person who purchases or stores cotton for his own use and not for the purpose of sale and who does not at any time have in his possession a quantity of cotton exceeding 24 bales of ginned and pressed cotton or boras of ginned cotton.

10. Any person desiring a licence shall make an application to the appropriate Licensing Authority of his State in Form "B".

11. Every licence granted under this Order shall be valid for the period specified in the licence but may be renewed from time to time for a period of one year. The fee charged for the grant or renewal of a licence shall be Rs. 25: Provided that in respect of any one year no person shall be liable to pay more than Rs. 25 for the grant or renewal of any number of licences within the same State and the amount paid by him in excess of Rs. 25 shall, on application in that behalf, be refunded to him by the State Government.

12. If a licence granted under this Order is lost or destroyed the Licensing Authority may after making such enquiry as it may deem fit, issue a duplicate licence on payment of a fee of Rs. 5.

18. (1) No person being the holder of a licence issued under this Order shall contravene any of the conditions mentioned in the licence and if any such person contravenes any of the said conditions, then without prejudice to any other remedy his licence may be cancelled by the Licensing Authority.

(2) Notwithstanding anything contained in sub-clause (1) the Licensing Authority may without previous notice or without assigning any reasons suspend or cancel a licence issued under this Order and such cancellation or suspension shall not entitle the licensee to any compensation or the refund of any fees paid in respect of any such licence.

14. (1) The Textile Commissioner may with a view to securing a proper distribution of cotton or with a view to securing compliance with this Order direct any person holding stocks of cotton or any class of such persons—

(*a*) to sell to such person or persons such quantities of such description of cotton as the Textile Commissioner may specify.

(*b*) not to sell or deliver cotton of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify ; and may issue such further instructions as he thinks fit regarding the manner in which the direction is to be carried out.

(2) The Textile Commissioner may direct any person to furnish samples of any cotton in his possession ; and may issue such further instructions as he thinks fit regarding such samples.

(3) Every person, to whom a direction or instruction is issued under this clause, shall comply with any such direction or instruction.

15. The Textile Commissioner may appoint any person or persons to advise him for the purpose of fixing the exact value of the cotton directed to be sold under any of the provisions of this Order in regard to any case or classes of cases.

16. The Textile Commissioner may make regulations—

(*a*) prescribing the form of application for manufacturers who desire assistance from the Textile Commissioner for the purpose of obtaining supplies of cotton ;

(*b*) regarding the payment of the price and survey and other expenses including the deposit of any amount as earnest money in respect of such assistance ; and

(*c*) generally, as regards the procedure to be followed in giving effect to such applications.

17. (1) The Textile Commissioner may direct any person holding stocks of kapas to get it ginned before a specified date and every such person shall comply with such direction.

(2) The Textile Commissioner may by a general order prohibit from such date or dates as may be specified in the order the possession of any kapas of a specified description or in a specified area except under and in accordance with the permission in writing of the Textile Commissioner.

(3) Notwithstanding anything contained in this clause, no manufacturer shall purchase or otherwise acquire kapas : Provided that a manufacturer who is the owner or lessee of a cotton ginning factory acquired by him by purchase, lease or in any other manner under a document registered before the 1st September 1950, may be permitted by the Textile Commissioner, subject to such conditions as he may specify, to purchase such quantity of kapas as, considering the ginning capacity of such factory, is capable of being ginned at that factory.

18. The Textile Commissioner may by general or special order prohibit the transport of cotton from any place within any area to any place outside that area by rail, road or water except under such conditions, limitations and restrictions as may be specified in such order.

19. The Textile Commissioner may by order in writing direct any carrier to close the booking and transport of any cotton by rail, road or water between such places and for such period as may be specified in the order and such carrier shall comply with the order.

20. The Textile Commissioner may with a view to securing compliance with this Order—

(a) require any person to give any information in his possession with respect to any business carried on by that or any other person;

(b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;

(c) enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any article in respect of which he has reason to believe a contravention of this Order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

21. Every person who is required to give any information under clause 20 shall comply with such requisition.

22. (1) Every manufacturer shall submit to the Textile Commissioner before the 12th October 1950 and thereafter before the 12th day of every succeeding month a return in Form "D" giving all the particulars specified therein.

(2) Every manufacturer shall submit to the Textile Commissioner, for the first fortnight of October 1950 and for every fortnight thereafter, a return in Form "E" giving all the particulars specified therein. The return should reach the Textile Commissioner not later than 7 days after the completion of the fortnight.

23. The Textile Commissioner, with the previous sanction of the Central Government, may by general or special order in writing authorise any officer to exercise on his behalf all or any of his functions and powers under this Order.

(Forms A to E are not reproduced here.)

S.R.O. 595.—In exercise of the powers conferred on me by clause 3 (1) of the Cotton Control Order, 1950, I hereby direct that the following amendments shall be made in the Textile Commissioner's notification No. 1 (57) Tex.2/50 dated the 21st August 1950, namely :—

In the said notification in paragraph 3 the following sub-paragraphs shall be added, namely :—

" (3) The maximum and minimum prices specified in paragraphs 2 and 3 (1) and (2) above shall be decreased by Rs. 25 per candy when the subject-matter of the contract is ginned (that is, unpressed) cotton.

(4) The minimum prices fixed under this notification shall not apply to any cotton which is inferior in class or staple to that for which 'off' allowances are specified in columns 5 and 6 of the schedule.

(5) Nothing in this notification shall apply to a contract of sale with an overseas buyer for the purposes of export."

[No. 1(57)TEX-2/50(iii)]

S.R.O. 596.—In exercise of the powers conferred on me by clause 16 of the Cotton Control Order, 1950, I hereby direct that the following amendment shall be made in the Textile Commissioner's notification No. 1(33)-Tex.2/49(iii) dated the 12th September 1949, namely :—

In the said notification after regulation 2 the following regulation shall be added, namely :—

"3. For the purposes of regulation 1(iii) (b) and regulation 2 above 'Licensing Authority' shall be deemed to include any other officer who has been authorised to exercise the powers of the Textile Commissioner under clauses 14 and 15 of the Cotton Control Order, 1950."

Textile Development Committee (1951)

By their Resolution No. 8(4)CT/50 dated 1st December 1950, the Government of India decided to set up a Textile Development Committee to assist in the preparation of a plan for the Cotton Textile Industry, and in devising measures for its effective implementation. The duties and functions of the Committee will be :—

(1) To recommend targets for the maximum output of cloth of suitable varieties, securing the best utilisation of existing installed capacity and making up the deficiencies therein to such an extent as may be feasible, and for this purpose to advise on the supply of cotton, mill stores and equipment, and other raw materials, as well as the fixation of prices of finished goods ;

(2) To suggest norms of efficiency with a view to eliminating waste, obtaining right quality and optimum production, and reducing the costs to a reasonable level ;

(3) To recommend improvements in the working of the industry at all stages generally and in respect of individual units which fail to attain the efficiency norms laid down by the Committee ;

(4) To recommend means for improving the working of uneconomic units, keeping in production as many of them as necessary without unduly raising the prices of cloth ;

(5) To suggest a system of distribution capable of giving the maximum satisfaction to the consumer ;

(6) To suggest arrangements for the supply of the needs of the handloom industry in respect of yarn to the utmost extent possible.

2. The Committee will consist of the following :—

(a) *Representatives of the Textile Industry* :

(1) Shri G. D. Birla ; (2) Shri Kasturbhai Lalbhai ; (3) Shri Krishnaraj M. D. Thackersey ; (4) Shri Lala Shri Ram ; (5) Mr. B. W. Batchelor ; (6) Mr. J. C. Burns ; and (7) Shri Chandulal Parikh.

(b) *Representatives of Labour Organisations* :

(1) Shri Khandubhai K. Desai ; (2) Shri S. R. Vasavada ; and (3) Shri Asoka Mehta.

3. The Hon'ble Minister of Industry and Supply will be Chairman and Members of the Planning Commission will attend.

Groups (a) and (b) may sit separately or jointly, as desired by the Chairman, according to the nature of the business to be transacted.

4. The Committee will have the power to co-opt any additional member as and when considered necessary.

Committee to assist in the working of Cotton Textiles and Cotton Controls

By another resolution No. 13 (2)-CT/50 dated 1st December 1950, the Government of India have decided to set up a Committee to assist in the working of the present Cotton Textile and Cotton Controls. The Committee will consist of the following members :—

Shri Morarji Desai, Home Minister, Bombay Government, Chairman.

(a) *Representatives of the Textile Industry* :

(1) Shri G. D. Birla ; (2) Shri Kasturbhai Lalbhai ; (3) Shri Krishnaraj M. D. Thackersey ; (4) Shri Lala Shri Ram ; (5) Mr. B. W. Batchelor ; (6) Mr. J. C. Burns ; and (7) Shri Chandulal Parikh.

(b) *Representatives of Labour Organisations* :

(1) Shri Khandubhai K. Desai ; (2) Shri S. R. Vasavada ; and (3) Shri Asoka Mehta.

Shri T. P. Barat, Textile Commissioner, Member-Secretary.

Groups (a) and (b) may sit separately or jointly, as desired by the Chairman, according to the nature of the business transacted.

2. The Committee will have the power to co-opt any additional member as and when considered necessary.

Members of the Textile Advisory Committee

(1) Shri Krishnaraj M. D. Thackersey; (2) Shri Neville N. Wadia; (3) Sir Chunilal B. Mehta; (4) Shri S. H. Bhagwati; (5) Shri Kalidas Sawhney, Secretary, Indian Central Cotton Committee; (6) Shri Kasturbhai Lalbhai; (7) Shri Ambalal Sarabhai; (8) Sir Shri Ram; (9) Shri Mangturam Jaipuria; (10) Shri R. C. Jall; (11) Shri G. D. Birla; (12) Shri S. C. Roy; (13) Mr. D. M. Passmore; (14) Mr. J. R. Marshall; (15) Shri Hariharnath Sastri; (16) Shri Khandubhai Desai; (17) Shri Ramalingam Chettiar; (18) Prof. N. G. Ranga; (19) Shri A. S. Thakore; (20) Shri Satishchandra Dasgupta; (21) Shri Sukumar Dutt; (22) Shri Y. M. Paonikar; and (23) Shri K. F. Madan, President, C.P. & Berar Millowners' Association.

Members of the reconstituted Standing Handloom Committee, 1950-51

(1) Prof. N. G. Ranga, M.P. (Chairman), 2, Ferozshah Road, New Delhi.

(2) Mr. M. Somappa, President, Yommiganur Weavers' Co-operative Society, Yemmiganur (Madras).

(3) Mr. Satish Chandra Das Gupta, Khadi Pratishthan, Sodepur (24 Parganas), West Bengal.

(4) Mr. Y. N. Paonikar, Secretary, All-India Weavers' Congress, Chanda (Madhya Pradesh).

(5) Mr. P. R. Chikodi, Chairman, District Industrial Co-operative Society, Belgaum (Bombay).

(6) Mr. Hari Ram, Secretary, All-India Spinners' Association, Adampur Daoba (East Punjab).

(7) Mr. Krutartha Acharya Rajgarh, District Sambalpur (Orissa).

(8) Director of Cottage Industries, U.P., Kanpur.

(9) Director of Industries, Patna, Bihar.

(10) Shri M. Bhaskaran Nair, President of the Sri Mulam Central Handloom Weavers' Society, Trivandrum.

(11) Shri Sukumar Dutt, 21, Karbala Tank Lane, Calcutta.

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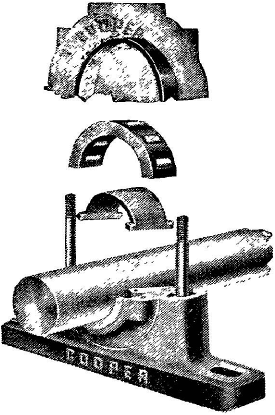

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THE COTTON TEXTILE INDUSTRY (1950 ANNUAL)

(A Review of the industry in India, and also in Pakistan, during 1950)

Editor: **M. P. GANDHI**

Introductory

The history of the Indian cotton textile industry during the year under review (1950) is largely a history of falling production, which is the more depressing since production in other industries of the Indian economy generally showed an increase. While in earlier years, the bottlenecks to production were variously poor industrial relations, bad distribution and caprices on the manufacturing side, the obstacle to steady output during the past year may be summed up in one phrase—the acutest shortage of raw cotton ever witnessed in the history of this century-old industry. The situation, at least from the point of view of the Indian consumer, seems the more regrettable since both Government and the manufacturer could not for one moment be charged with indifference to the needs of the industry and even labour could be said to have played its part except in August 1950, when an altogether unjustified strike * was launched in Bombay. Controls are now operating with the minimum of severity ever since their inception in 1943, and even on the question of prices, government has done its best to meet the wishes of manufacturers, consistent with its anti-inflationary policy. There is not much complaint about distribution, and in fact, consumers all over the country have expressed few grievances as regards availability of cloth even though everyone will admit that the great stress placed upon exports in 1950 (nearly 25 per cent of total production) with a view to earn foreign exchange to pay for enhanced imports of raw cotton is to the disadvantage of the Indian consumer.

It is therefore nothing short of an irony of fate that, with the best will on all sides, the industry should be in such a parlous plight. Its plight is indeed bad if we are to accept the reports which suggest that total mill production in the country during 1950 may barely touch 3,700 million yards of cloth, which compares poorly with 3,906 million yards of cloth in 1949 and 4,319 million yards of cloth in 1948. Considering that more than 1,000 million yards have to figure on the export programme with which the country's food is so vitally connected, the paucity

* This strike petered out after 63 days' duration, on 5th October 1950. The estimated loss of wages was about Rs. 2 crores.

of supplies to the people is serious. It is only the purchases made by consumers in earlier years in excess of their requirements and the diminished purchasing power that are now preventing an outcry against a situation which normally would be fraught with grave consequences. Furthermore, the people have realised that the shortage of cotton is a factor which is not amenable to an easy solution or control, since it is one of the ineluctable legacies left by the partition of India. About a million bales of staple cotton used by the Indian cotton textile industry used to come from regions which have now become Pakistan. This cotton is denied to India owing to the unfortunate state of Indo-Pakistan trade and political relations. Since the commencement of the last cotton season, and particularly after Pakistan's refusal to devalue her currency, the cotton position in this country has been very precarious, and this was further aggravated by the partial failure of the cotton crop in India in 1950.

Mills at the Mercy of Kapas

Readers of this *Annual* are aware that the government in their anxiety to give a fair deal to the textile industry had fixed ceiling prices for different varieties of cotton. With a smaller crop and complete stoppage of supplies from Pakistan, no cotton mill has been able to obtain supplies of raw materials at or under the ceiling prices fixed by government. The government's insistence that in the interests of economic stability, production in the mills should be maintained at all costs only placed the cotton mills in a quandary. The mills therefore asked the government to make cotton available to them at least at the ceiling prices, which they were unable to do. This virtually drove the cotton mills to secure their cotton by buying *kapas*, the prices of which had been left uncontrolled; naturally, the resultant scramble for *kapas* raised its prices skyhigh. The mills therefore had to purchase cotton at prices very much in excess of the ceiling prices for cotton. When it is said that a mill like the Central India operating in Nagpur found it difficult to obtain *kapas* from Madhya Pradesh in which it is situated, the general orgy of buying *kapas* can be imagined. As a result of several representations made to them, the Government of India reviewed the position carefully and decided to stop exports of staple cotton except Bengals and to ration the staple varieties among the mills on a quota basis. To make up the leeway, Indian mills have had to import American cotton at high prices. The result therefore was, and still is, that hardly any mill today can sell all its cloth at the prevailing prices without incurring a definite loss, in the internal market. Or perhaps, to put it differently, the cloth prices officially fixed have to catch up with the abnormal situation as regards cotton supply mentioned above.

Exports Profitable

It might be asked, how do the mills, if they make losses as stated above, manage to carry on and, in the case of some of them, even to show a profit. The answer to this question is to be found in the fact that mills export a considerable part of their production and even the export ceil-

ings fixed earlier have been removed so that today mills are free to charge any price for cloth and yarn manufactured for export. The Government of India further agreed to refund duty on cotton at two annas per lb. on the weight of fine and superfine cloth actually exported. Indeed, but for the handsome profit on the export trade, many mills would have been nowhere, and fortunately for them, the emphasis on accumulating foreign exchange continues. At the same time, it is obvious that sooner or later export ceilings must be reached and the goose cannot lay the golden eggs for ever. In that event, it is certain that a number of cotton mills will be faced with a shutdown and the upward revision of cloth prices will become an insistent and irresistible demand. Moreover, it is obvious that in a year of a great shortfall in total production, the distress to the consumer will be serious and may have grave political consequences on the eve of the general elections, if a large part of the production is diverted to exports, whatever their necessity in another setting.

Costs Unlimited

During the past few months, the Chairman of every cotton mill has been emphasizing how the manufacturer is finding himself being squeezed between mounting costs and uneconomic prices. From 1st November 1949, Government compelled the industry to reduce ex-mill prices by 4 per cent, when the mills had actually been asking for an increase owing to the spiralling increase in cotton prices. The above reduction was on an *ad hoc* basis and was in pursuance of the Government of India's declared policy of a progressive reduction of prices of manufactured goods. The representations made to the government to revise the prices did not succeed except to the extent that a small increase in the prices of fine and superfine cloth was allowed. Even there, government had to offset this increase in price to the consumer by at the same time reducing excise duties on these cloths from 6¼ per cent and 25 per cent to 5 per cent and 20 per cent respectively. It has been repeatedly suggested by the manufacturers that all the factors relating to production costs should be carefully examined and the wage front should first be tackled, to try to bring about a more "rational" relationship between output and its reward. The recent textile strike which started on 14th August 1950 and went on for nine weeks has reduced supplies at a critical time. It would not be surprising if cloth scarcity is again felt, with probably even an upward trend in prices. The prolonged strike has blemished what would otherwise have been an excellent page in industrial relations for the current year.

Primacy of Bonus

The awards by the various tribunals in recent years have made it clear that a bonus is having a high priority on profits, possibly even before the return to shareholders. The current tussle between labour and management is a clear index that, to the latter at least, the stage has been reached when a definite stand must be made against the prevailing tendency to award any amount of bonus, without a parallel regard

for the needs of replacement of machinery and rehabilitation. The details of this controversy are discussed elsewhere in the chapter on labour and we may content ourselves by pointing out here that it seems high time that all these rewards for efforts are correlated, in some formula agreeable *to all parties, with production. For, it is with production that* the country is vitally concerned and it is production that will ultimately decide the health of the national economy in the various sectors like cost of living, savings, earning of foreign exchange and currency stability. The last-ditch stand between capital and labour can do no good to either. What is wanted is a readiness on the part of employers to move with the times and face up to the reality of unquestionable working-class solidarity. *On the other side, industrial workers also have to realise that* the days of bumper profits are numbered if they have not already gone, and that they cannot move the hands of the clock too fast without breaking the machinery thereof. Even assuming that collective ownership comes, it will not do away with the need for putting one's shoulder to the wheel and turning out as much production as possible.

Productivity and Renovation of Plant

We would particularly wish to stress one aspect of production here, as its importance is not sufficiently appreciated. It concerns the highly rundown state of the machinery of most of the mills in this country. It is common knowledge that most of the mills have been carrying on with machinery which, if they had had adequate finance for large-scale renovation and *replacement, would have long ago gone to the scrapheap.* Till 1948, availability of machinery in a sellers' market such as obtained throughout the world was extremely difficult. Afterwards, it has not been possible for the mills either to amass profits on a substantial scale thanks to the price control and the cotton shortage, or to raise in the open market the funds for rehabilitation. Seeing how the demands of labour are being pitched higher and higher, one can safely come to the conclusion that it will be a very long time indeed before any major mill accumulates in its reserves adequate funds to undertake a substantial measure of replacement and renovation. It is interesting to note that the size of the reserve has caught the attention of the last Industrial Tribunal in Bombay, and it conceded the desirability of giving primary importance to the allocation for depreciation. At the rate at which things are going, it is safe to assume that, for many years to come, a replacement programme will be out of the question and that the mills have to carry on with machinery whose efficiency as time goes on must be dwindling very rapidly hereafter. The relevance of this point to our discussion is that the country cannot possibly afford to carry on much longer with such a highly impaired state of efficiency in its machinery for an essential commodity and at the same time allow labour the luxury of lower output and a higher reward. From the point of view of the machinery alone, labour has a greater responsibility to work harder in order to maintain production at something like optimum levels. We trust labour leaders will realise this aspect of the problem. At the same time, the state of *the machinery itself imposes some sort of limit in various directions.*

The cotton mill workers of this country have therefore to note that a highly depreciated mechanical set-up and fat bonuses do not rationally go together.

World Textile Output

The economic malaise of our cotton industry suggests gloomy thoughts about its future when competition with overseas manufacturers will become more severe and it will be very difficult for this country to compete with them on favourable terms until rationalisation takes place. Our dependence on exports only underlines the need for a proper appreciation of this factor. Even though our export of cotton textiles has been impressive, we cannot get away from the implications of the international setting. The world textile output has increased and all manufacturing countries with the one exception of India reported increased production during the last quarter of 1949. With the pre-war base as 100, the index of exports from 12 main exporting countries stood at 71 for 1949 as against 57 in 1948 and 61 in 1947. There was a further expansion during the first quarter of 1950. In a quarterly statistical review, the Cotton Board Trade Letter pointed out that the expansion of output in the United Kingdom continued during the first quarter of 1950 which saw a further increase in Japanese production also. The expansion in U.K. was particularly rapid in the output of continuous filament rayon fabrics, a trend which has been in evidence since the beginning of 1948. It is said that the rate of output in 1950 has been trebled over 1949. In Europe, Western Germany was the most important producing country. Yarn output in the last quarter of 1949 and early in 1950 was reported to be 75 per cent greater. Total output in 1949 was 90 per cent greater. France too is reported to have maintained its production during the first half of 1950 at the high level attained in the last quarter of 1949. Similarly, the production in Italy, Belgium, Poland, Spain and Portugal is said to have been maintained very well. For that matter, even in our own country, the output of all major industries with the notable exception of cotton textile and jute industries, has been reported to be higher during 1950. It is clear therefore that world trade in cotton textiles is expanding very fast, particularly as the Americans have now removed all restrictions on Japanese production and are even assisting the Japanese textile industry in regard to replacements and raw cotton. Recently, Japan has entered into a trade pact with Pakistan and some other countries and she is bound to have an adequate supply of cotton and, what is more, offer stiff competition in world markets. Conceivably India's export trade may receive a setback, judging from the wail of distress which is now coming from the Lancashire textile industry at the prospect of Japan being allowed to recapture her lost markets. We shall revert to that theme later.

World's Spindleage

The International Federation of Master Cotton Spinners' and Manufacturers' Association has now resumed publication of its valuable statistics on the world cotton trade, and for the first time since the war a clear

picture emerges of the changes that have occurred during the past ten years in the productive capacities of the various cotton textile manufacturing countries.

It was known, of course, that war-damages to plant in Europe and the Far East had brought about a considerable reduction in cotton spindleage, but the actual extent of the reduction as shown by the Federation's estimated total is surprisingly big. Between January 31, 1939 and January 31, 1950, the world total declined by 24,322,000 to 123,326,000 spindles, the principal reduction being in Asia (Japan and China), Europe (U.K., Germany, France and the Soviet Union) and the U.S.A. In fact, the total loss in spindleage in these countries exceeded the total world reduction, an offset to which was the further expansion of spindleage in Brazil, Argentine, Chile, Columbia, Egypt, Korea and Syria.

In the world as a whole, both mule and ring spindles have been reduced in about the same proportion. In the U.K., however, the decline in mule spindleage is very pronounced—from 25.8 million in 1939 to 19.2 million. Increases in mule spindleage are reported in Spain and U.S.S.R. From a survey of the figures given below, it will be seen that India alone among the major cotton manufacturing industries has not suffered a reduction in the spindleage. Nevertheless, uninterrupted expansion has been taking place in the spindleage of many countries such as those of Latin America, Australia, South Africa, Egypt, Turkey, Syria and Iran. The moral of this is that, with efflux of time, textile production is distributed almost all over the world, whereas two decades ago, they were confined to a few countries who also participated in the export trade. The great Lancashire industry had to give way to Japan, and Japan to India so far as exports are concerned. If our cotton house is not in order, it will be the turn of India to be ousted from world markets. It is only the comparatively lower price of Indian cotton that has enabled our mills to sell goods abroad. In other respects, our costs are just the same if not higher than some of the other producers. Now that cotton prices are tending upwards, even that one advantage will be lost. It is therefore the part of prudence to reflect on the position so as to safeguard our export trade on which the Nation is literally fed at present.

WORLD COTTON SPINNING SPINDLEAGE

(in 1,000s)

—	1926	1933	1939	1950
World Total ..	166,723	157 755	147,648	123 326
Europe (Total) ...	102 928	98 140	88,982	72,349
America (North and South) ..	42 075	35,586	31,490	30 119
Asia (Total) ...	17 519	22 300	26 856	20,119
U.K. ..	57,286	49 001	36,322	29 580
U.S.A. ..	37,585	30,894	25 911	23 281
Japan ..	5,573	8 209	11 502	3,739
India ...	8,501	9,506	10,054	10,534

Estimated Cotton Spinning Spindleage

(in 1,000s)

—	1950	1939	Increase (+) or Decrease (—)
Total Europe	72,329	88,982	— 16 653
Czechoslovakia	2,331	3 330	— 999
France	8,148	9 794	— 1 646
Germany (West Zone)	5,785	12 225	— 6,440
Italy	5,566	5,324	+ 242
Spain	2 210	2 000	+ 210
United Kingdom	29,580	36 322	— 6,742
U.S S R. (estimate)	9,483	10,350	— 867
Total N. America	25,562	28,049	— 2,487
Canada	1,117	1,159	— 42
Mexico	986	884	+ 102
U.S.A.	23,286	25,911	— 2 625
Total S. America	4,557	3,441	+ 1,116
Argentine	512	329	+ 183
Brazil	3,284	2,763	+ 519
Columbia	307	105	+ 202
Peru	123	118	+ 5
Total Africa	702	290	+ 472
Egypt	499	251	+ 248
S. Africa	92	23	+ 69
Total Asia and Oceana	20,199	26,886	— 6,687
Australia	223	114	+ 109
China (estimate)	4,000	4,450	— 450
India	10,534	10,054	+ 480
Japan	3,739	11,5 2	— 7,763
Korea	305	60	+ 255
Syria	271	40	+ 231
Turkey	276	104	+ 172
World Total	123,326	147,648	— 24,322

[*Source*: International Federation of Spinners and Manufacturers.]

World Cotton Consumption

World cotton consumption in 1949-50, at over 29,000,000 bales, reached the highest level in the post-war period, and the International Cotton Advisory Committee in its season-end review of the global situation says that the present outlook is for consumption to outstrip production in 1950-51.

The international movement of cotton in the season just ended (July 31, 1950) at 12,000,000 bales also established a post-war record, due chiefly to expanded exports from the United States, Mexico and Pakistan. However, both consumption and international trade in 1949-50 fell short of the pre-war average by about 1,000,000 bales. (All quantities expressed in bales refer to bales of 478 lbs. net weight, except in the case of the United States where they refer to running bales 500 lbs. gross weight.)

With the excess of world production over consumption in 1949-50 now computed at 1,750,000 bales, the Committee estimates the global carry-over at the opening of 1950-51 season at about 16,500,000 bales,

equal to some 6½ months' supply at the current consumption rate. However, the Committee foresees a reduction in world stocks as a result of an anticipated drop in 1950-51 production below the 1949-50 level of consumption. It estimates that the reduction in the U.S. crop alone could approach 5,000,000 bales, as a result of the post-war re-introduction of acreage restrictions, and it does not appear as if this loss will be offset by more than 1,500,000 to 2,000,000 bales in the rest of the world. The anticipated U.S. carry-over of cotton on August 1, 1950 is estimated at around 7,000,000 bales.

With the current outlook pointing to a sustained and probably expanding consumption, a reduction in accumulated stocks, possibly a considerable one, is in prospect in the United States in 1950-51.

CHAPTER I

TEXTILE PRODUCTION

The cotton textile industry is an exception to the general trend of higher industrial production in the country during the past year. This was directly attributable to the fluctuating supply of raw cotton. Of course, the price factor could not be ignored in this context as many mills had to work at a loss, but it must be admitted that the will to carry on production despite losses was never lacking since there was a chance of making up such losses by the gains from exports. A very important factor in the situation is the fact that control over production, which in earlier years evoked so much criticism, was substantially lifted and greater freedom on the manufacturing side has been given. Early in the year 1949-50, the breakdown in the cloth and yarn distribution scheme, which was described in detail in the last *Annual*, was responsible for a drop in production. It will be remembered that the accumulation of unsold cloth and yarn in mill godowns created financial and other embarrassments and production was curtailed in certain mills. This defect was set right and the forward policy of government in the matter of exports restored health to the stock position. The second reason for the drop in production is the acute shortage of raw cotton. As far back as February 1949, the Bombay Millowners' Association had urged government to fill the gap in cotton supplies by imports from America. For various reasons, this suggestion was not acceptable to government, but ultimately their hands were forced in the matter by the gravity of the situation and the first consignment of American cotton landed in Bombay in March 1950.

It is only thereafter that the outlook for production improved. The downward trend in cloth and yarn production was arrested in March 1950, and it was even hoped then that Pakistan might export 1,50,000 bales of cotton to India. To take Bombay State for instance, cloth production dropped from 226 million yards in December 1949 to 204 million

yards in January and again to 193 million yards in February 1950. The March output was about 215 million yards. The corresponding all-India figures for the above four months were 343 million yards, 309 million yards, 294 million yards and 316 million yards respectively. In respect of yarn, an identical trend was noticeable. Yarn production from December 1949 to March 1950 for the whole of India was 116 million lbs., 102 million lbs., 97 million lbs. and 102 million lbs. respectively. The statistics of production for the past few years and the recent months can be seen from the table below :—

PRODUCTION OF YARN AND CLOTH IN MILLS IN INDIA

Year	Yarn (in million lbs.)	Cloth (in million yards)
1945 ...	1 625	4,688
1946 ...	1,367	3,908
1947 ...	1,295	3,761
1948 ...	1,447	4,319
1949 ...	1,359	3,904
1950 : January ...	102	309
February ...	97	294
March ...	102	316
April ...	101	316
May .	99	330
June ...	100	333
July ...	—	—

The over-all picture is definitely poor, especially as mills in Bombay city were more or less completely closed for a period of two months since 14th August 1950. Cynical as it may seem, some of the mills must have heaved a small sigh of relief since the strike obviated the necessity to purchase cotton to the extent of the closure and in the case of the mills turning out coarse and medium varieties, unremunerative working was correspondingly reduced. There is a definite shortage in coarse and medium varieties because of the unprofitable prices allowed by government for internal consumption. In order to safeguard supplies, government had stopped the export of medium and coarse cloths to soft currency countries. This meant that such mills had to sell their output in the internal market which was only possible by undergoing a loss. The policy of government in this matter was swinging between fear and necessity. At one moment, the mills were told that exports were vital and there was an all-out drive for foreign exchange. The next moment, government would become afraid of the internal position and would be stampeded into reversing their policy for fear of an internal shortage. The effects of such shifting policy based on the exigencies of the moment are obvious. We admit that, with so many indeterminate variables, the evolution of policy is difficult, but in such circumstances, it is better to strive for one objective and allow greater freedom to the other factors. Thus, in the current setting, it is obviously impracticable to keep up

the present policy of fixed prices when the costs of manufacture are hardly steady. But for exports, the problem would have become very crucial by this time and in fact, it is bound to come up again in a pressing manner as soon as the export targets are reached.

The ceiling rates fixed by government will be found to be unworkable so long as cotton prices are not on an even keel. Everyone appreciates the broad intention of government when they set their face against price increases as part of the anti-inflationary policy, but when there is no control over the cost of the raw material at the level at which supplies are freely forthcoming, adherence to fixed prices can have only one effect, namely, to force mills to stop working. The recent decision of government to raise the ceiling prices of cotton has the merit of realism about it, but it also means that the industry will lose the price advantage next year and that too at a time when competition in foreign markets is growing intense. In pursuance of the recommendation of the Export Promotion Committee, government raised the monetary ceiling for imports of raw cotton in March 1950. This was in accordance with the policy of allowing larger imports of raw materials which lead to increased exports of finished products. But it must be noted that from the point of view of reducing inflation such imports have practically been valueless. During the whole of 1950, it was decided to import 6 lakhs bales more than the imports of 1949. And from the customs duty of two annas per lb. the government expected to make a considerable revenue which would more than offset any loss resulting from reduction in excise duty on fine and superfine cloth and the refund in the import duty on the raw material used for the manufacture of exportable goods.

In May 1950, a special committee of the Bombay Labour Advisory Board recommended that in the interests of production and of employment, steps should be taken to meet the cotton requirements of the mills. The meeting considered also the position of closures and consequent unemployment and noted that ten mills had entirely closed down, 13 were partially closed and 18 had given notice of closure. It was also agreed that apart from a few closures due to the bad state of machinery and lack of finance, the rest were due to shortage of cotton.

It is rather amusing to reflect that, when the production was on the decline, proposals for a shorter working week were actually canvassed in January 1950. At the cotton conference in Bombay held towards the close of 1949, millowners had represented to Dr. S. P. Mookerji, the then Industries and Supply Member, that it would be advisable for the mills to reduce working hours. It was suggested that the mills should have only five working days against six and that this would help them to conserve about 16¼ per cent of available supplies of cotton for future consumption. It was also pointed out that the textile workers would under this plan be paid for one day less in the week and as such that would help the mills since they could not afford to pay the same wages for reduced output. The government however felt that there was no need to consider the issue as they were taking measures to import

foreign cotton to the extent of 10 lakhs bales. Even at that, the industry felt that the stage would soon be reached at the end of the cotton season when the industry would be left with no stocks of cotton. Government, however, made it clear at the conference in Delhi that they were opposed to any policy of lower production. The accumulation of cloth in the various textile centres was stated to be about a month's supply only and as such neither too much nor too low.

To such of the mills as gave notice of closure on account of cotton shortage, government requisitioned stocks from the cotton dealers which had been frozen and allotted quantities from time to time. About 50,000 bales of cotton consisting of both foreign and Indian varieties including cotton meant for export had been so frozen on January 4th 1950. According to Mr. T. P. Barat, the Textile Commissioner, after classifying the returns, it was found that, apart from the stocks of cotton with dealers holding valid export licences, a substantial quantity of cotton was held by dealers on account of mills, most of which were also short of cotton. The Textile Commissioner stated that he had requested the Ahmedabad Millowners' Association to depute representatives of the really needy mills to Bombay and arrange to secure cotton out of the frozen stocks. Representatives of seven such mills came to Bombay in response to this suggestion. Only three of them were agreeable to buying 2,000 bales and they requested the Textile Commissioner to requisition this quantity out of the frozen stocks. After a discussion with the Textile Commissioner and ascertaining the location of stocks, representatives of two other mills expressed their desire to make their own arrangements to secure cotton and stated that, if successful, they would later approach him for de-freezing the required stocks. The representative of the sixth mill was not interested in procuring any cotton out of the stocks frozen in Bombay. The seventh mill, while not desiring to purchase any cotton out of the stocks frozen, was anxious that there should be certain changes in the quotas fixed by the Textile Commissioner for it. "The above facts reveal," Mr. Barat said, "*that if the mills were genuinely keen on* avoiding the closures due solely to the shortage of cotton, they would have taken the opportunity of making use of whatever cotton was made available to them."

Re-opening of Closed Mills

By March 1950, it was clear that many mills were in an indecent hurry to effect closures on grounds of cotton shortage or for other reasons. The government was faced with a new problem and it chose to make known its policy in the case of the Sholapur Mills. On 9th January 1950, an emergency ordinance was promulgated by the Governor-General of India empowering the Bombay Government to take all necessary steps for re-opening the above Mills. One of the provisions of the Ordinance was for issue of executive orders by which the board of directors could be dissolved, the contract with the managing agents terminated and a new board of directors could be appointed. A notification issued by New Delhi stated that, as a result of the investigation

carried on into the affairs of the mills, serious mismanagement leading to the closure of the mills had taken place. The notification added that

> "A technical examination of the mill indicated that a large part of it could be worked economically and with profits, provided that the affairs of the company were conducted on sound lines. Much of the production lost through the closure of the mill can be restored, and many of the workers can be re-employed, if this part of the mill re-opened and the company managed on sound lines. The history of the past few years, as indicated by the results of the inquiry conducted under the orders of the Government of Bombay show that the present management of the company cannot be depended on to manage its affairs well, so that production in the mill can be maintained. The procedure under the existing law does not provide a method by which the present difficulties can be removed quickly, and efficient and economic management of the mill can be restored.
>
> A representative section of the shareholders of the company has sought the intervention of the Government, in these circumstances, for securing the re-opening of the mill and its better management. The Standing Committee of the Central Advisory Council of Industries has also recommended the intervention of the Government in the particular circumstances of this case. For some time, concern has been felt among various sections of the public regarding the closure of important units of production or under-production due to mismanagement of the affairs of industrial concerns. There is a growing volume of responsible public opinion that the law should be amended to provide for the intervention of the Government in such cases of mismanagement. The general policy which the Government should adopt in such cases is a matter for careful consideration.
>
> But the Government of India are satisfied that, in the particular circumstances of the *Sholapur Spinning and Weaving Co., Ltd., intervention is both* justified and necessary for the maintenance of production and industrial employment and in the interest of the shareholders themselves. The Government of Bombay have also concurred in this view.
>
> Powers under the Ordinance have been delegated to the Government of Bombay, who will exercise these powers under such directions as may be issued by the Government of India from time to time. The Government of Bombay will issue the necessary orders and appoint a new Board of Directors, who will immediately take all necessary steps for re-opening a part of the mill."

Later, a Bill was also introduced in Parliament to make provision for the management of the mills, in replacement of the Ordinance. The Minister for Industry and Supply speaking on the Bill stated that government would act only when national interests required intervention and a full and proper inquiry had been held into each case of mismanagement. He paid a tribute to the spirit of public service shown by the new board of directors of the mill, who had been appointed by the Bombay Government under the Chairmanship of Sir V. N. Chandavarkar. He said that the Bill was a warning to those individuals who were playing with public funds.

The Sholapur Mill re-opening under Central control marks the application of an important principle, viz. the State should never *surrender to private enterprise its inherent right* and duty to maintain employment and activity in respect of the welfare of those directly

affected by the derelictions of those in whom trust had been reposed. The principle is sound but the safeguards against its being used as a handmaid of political design are worthy of emphasis. Indeed, Dr. S. P. Mookerji made it clear that this move is not the thin end of the wedge to nationalisation. He emphasized that four basic conditions must be fulfilled before government intervened: (1) the undertaking must relate to an industry which is of national importance, (2) it must be an economic unit, (3) there must be a technical report as regard the condition of plant and machinery which can be utilised, and (4) there must be an inquiry which would show that the managers have so misbehaved that they are now no longer fit and proper persons to remain in charge of an important undertaking. To our mind, these safeguards give an adequate guarantee of the integrity of private enterprise and provide a reasonable minimum ground for action by the State as custodian of the welfare of the community. The appointment of directors and a subsequent issue of a call for the payment of Rs. 50 on the preference shares was the subject of a suit in the Bombay High Court which held that the appointment as well as the call were sound in law.

The Ahmedabad Mills

By the middle of the year, a serious situation developed in the cotton textile industry of Ahmedabad. The main complaint of manufacturers was that their costs were higher on account of the inflated wage bill, higher transport charges and more insurance costs while their products were subject to all-India price control. The mills expected to earn in 1950 only half the profits earned in 1949 and about ¼th of those in 1948. Four mills had been closed for a long time owing to uneconomic working and as for some others, only the overhead expenses and other disadvantages of closure were preventing them from closing down. As a wag put it, so long as the managing agents' commission in Ahmedabad depended on the production and sales irrespective of the profits, the prospects of any mill being closed down was remote! Apart from a few cases of deliberate manoeuvring, it is a fact that Ahmedabad provides a classical example of how inflation of costs is operating in this country, especially when nearly 70 per cent of manufacturing costs is beyond the control of the industry. The higher wage bill of Ahmedabad is a serious disadvantage to the mills and from the point of view of exports, the transport charges which the mills there have to incur by comparison with Bombay mills, represent a futher disability. The solution which presumably lies in bringing total costs into line with the all-India price structure is not easy, but some sort of rationalisation which will link wages with the work-load may open a hopeful line of attack to the problem.

Decontrol Inadvisable

Unlike other years when the question of control used to receive extended notice and become the subject-matter of acute controversy, the necessity for textile control was very little debated during the past

year. Anyone with a degree of common sense who is conscious of the lack of equilibrium between supply and demand will admit the necessity for control being continued. Especially under current circumstances of lowered output, dependence upon imported raw materials and other factors, the need for price control can hardly be questioned. It is a different question however whether government should not adjust their price policy to meet the exigencies of each industry instead of taking a rigid stand on the subject. Unfortunately, each section puts forward its own point of view—thus cotton merchants would like to have raw cotton decontrolled, manufacturers would have prices removed from control and so on. It is obvious that if decontrol is started at one end, it must logically be carried through every stage, and the final result would be a gratuitous addition to inflation which at the present time is clearly dangerous. What government has done is right on the whole. They have removed the control on production and they have kept a price check to save the consumer from being exploited in the present conditions of scarcity. That is all as it should be.*

Sounding Public Opinion

It was therefore not a little surprising that a Controls Enquiry Committee with Mr. Thakurdas Bhargava should have been set up by members of Parliament to elicit public opinion on the subject. It was stated at the time (June 1950) that everybody was in favour of removing the control on food as well as on cement, paper, steel and even cotton textiles. We fancy that many people must have indulged in wishful thinking of remarkable proportions. But the fact is that there was a distinct kind of agitation for decontrol. When the Textile Advisory Committee therefore met for the first time in 1950 in June under the chairmanship of the new Minister, the Hon'ble Shri Hare Krushna Mahatab, an opportunity for reviewing the control over raw cotton and textile manufactures was provided. As the interests represented on the Committee included millowners, traders, consumers and cotton merchants, an interesting meeting was in store. Mr. Mahatab told representatives of the cloth trade who favoured decontrol that he was "neither for nor against controls" and that he was "only puzzled as to what should be done to ensure proper production and distribution of cloth in the country". A series of prolonged discussions took place, mainly as regards cotton supply and cloth prices. The mills pressed for an upward revision of cotton prices in view of the fact that firstly, the then obtaining ceilings were below world parity and, secondly, as the mills had in any case to pay much higher prices over the ceilings. According to one millowner, government were genuinely trying to restore the spirit of co-operation and mutual tolerance so as to keep up the confidence of the industry in themselves. In a speech at Sholapur on the 16th July 1950 to the All-India Handloom Weavers' Conference, the Hon'ble Shri

* The Economic Policy Resolution adopted by the Congress at its recent Nasik session held on 21st September 1950 has given the quietus to the agitation for decontrol. As Shri Hare Krushna Mahatab observed in a recent statement, "the efficient working of controls and the creation of solid public opinion in their favour" should no longer be a matter for controversy.

H. K. Mahatab declared that decontrol of cloth, far from bringing down prices and elminating blackmarkets, would only end in scarcity and high prices.

Reservation for Handlooms

Meanwhile, a special Handloom Committee had recommended on 7th November 1949, the reservation of certain lines of manufacture like saris, etc. exclusively for the handloom industry. (*Vide* page 173 of our 1949 *Annual.*) The Committee of the Bombay Millowners Association was opposed to the principle of reservation on the following grounds: "Vital considerations such as the ability of the handloom industry to meet the entire demand of the country in the shape of manufactures such as honeycomb towels, dusters, bed-covers, bed-sheets, sarees, etc. had been overlooked. That apart, it appeared that the Joint Committee had not considered the question as to whether the handloom industry would ever be able to market its manufactures of cloth at a price anywhere near the prices at which the same could be manufactured and marketed by the Indian cotton mill industry. Restrictions of the nature proposed, regardless of every other consideration, were not calculated to help the handloom industry, but, at the same time, the consumer would be forced to pay a higher price if he was forced to take his requirements of the cloth solely coming out of the handloom industry. It was also doubtful whether Government had considered the question as to how composite mills would utilise in future those looms which were now being used for the manufacture of the particular varieties of cloth included in the Joint Committee's report. Mills might probably have been manufacturing these cloths for a long time for established markets both in India and abroad and to prevent them from continuing the manufacture of such cloths at this stage would be an act of injustice. Besides, it might also cause the looms of composite mills to remain idle for some considerable time before they were switched over to new varieties. The need of the day was cloth, and more cloth at reasonable prices, and the Committee pointed out that the Joint Committee's recommendations were not calculated to bring about that result. In the Committee's opinion, a new alignment was taking place in regard to the production lines of mills and handlooms, mainly as a result of conditions created by the war. The question was not, therefore, what mills and handlooms were producing in the past, but what each could produce economically and efficiently. This adjustment which was of a material character was bound to take time, but to force the pace by statute or executive action, the Committee submitted, would result in bringing about unreal and unhelpful state of affairs which was not calculated to benefit either the handloom industry, the mill industry or the consumers after several consultations with the interests concerned. Subsequently, the Government of India accepted the Committee's recommendations with modifications, for reserving the production of *sarees* of a particular type for handlooms, and decided to implement the same in the middle of 1950.

Raw Cotton Position for Mills in 1950

With the continuance of cloth control a definite fact, the general topic of discussion was only in regard to the pattern of supply and prices. The supply depended upon the quantity of raw cotton available. To have optimum output, the industry needs about 45 lakhs bales of cotton, and on the assumption that the internal crop gives 27 lakhs bales, the question was whether the government will allow the balance to be imported. From the beginning of the new cotton season in 1950, the ceilings on the standard varieties have been raised by Rs. 150 per candy and this will work out to a rise of 6 to 9 pies per yard in cloth prices. But the point was whether the industry will be able to get cotton at least at the new ceilings, since the upward adjustment made by government has already been offset by a rise in world cotton prices, and in spite of the Rs. 150 increase in the ceilings, the disparity between foreign and Indian cotton continued. The Textile Commissioner issued an order in July 1950, banning mills from spinning yarn from a mixture of Indian and foreign cotton, other than Pakistan cotton. This meant that the country would have two sets of prices for the same variety, one based on Indian cotton prices and the other on foreign cotton prices. A shortage in the varieties made from Indian cotton was naturally feared by the trade.

Staggering of Working Hours

As a result of power shortage, the working hours in Bombay mills had to be staggered. Under the scheme, mills working on the double shift system lost half an hour per week, while mills working either entirely or partially on a treble shift system of work lost about six hours per week in such departments working three shifts. Wage adjustments were, however, made to ensure that there was no financial loss to the workers, as a result of staggering, even though there was a loss of production to the mills. When staggering was first introduced, it was thought that it would be possible to do away with it after a year, but when it appeared that it was likely to be continued for a longer time, the industry drew government's attention to the financial loss sustained by those mills which had to pay full wages to its workers though actually production was less. Early in February 1950, the matter was considered at a conference at which representatives of mills, workers and government were present. At the request of the mills, the representatives of labour agreed to mills which were working wholly or partially in the treble shift system reverting to the position which existed before the introduction of staggering of hours, provided (a) that the total hours of work for each shift were not greater than the total hours of the corresponding shift prior to the introduction of staggering, and (b) that the starting, recess and closing hours of each shift were arranged so as to fall within certain limits. So far as hours of work were concerned, in order to avoid the mill load coinciding with the lighting load, mills

working partly or wholly on the treble shift system were divided into two groups in consultation with the power supplying authorities. The hours of first and third shift for both the groups remained the same, but a change was made in the second shift. The new arrangements came into force on 15th February 1950.

Towards the latter half of April 1950, the Bombay Government issued a press communique outlining the measures to meet the shortage of power. It said *inter alia*: "Another principal recommendation of the Power Shortage Committee was for the removal of half staggering of the working of the textile mills by August 1950, as the Committee anticipated sufficient saving in power by that time. But unfortunately there was a worsening of the power position. The saving in power anticipated by the Committee by August 1950 is not therefore likely to materialise and the present indications are that the earliest date by which sufficient capacity would probably become available so as to enable the government to consider seriously the question of removal of half staggering is August 1951, when the sixth generator is likely to be installed. The government has accordingly decided that the position be brought under review in January 1951 for this purpose." This shows clearly what a serious disadvantage is experienced by the mills in Bombay city in regard to production. Since their production amounts to a considerable part of all-India production, it is obvious that Bombay's power shortage has consequences beyond the province.

STATISTICS OF MILLS, ETC.

—	Year ending 31st August	
	1948	1949
Total number of mills	422	430
Paid up capital (Rs.)	74 93,27,620	88,22,80,667
Spindles installed	10,433,065	10,703,451
Spindles working	9,580,227	9,701,519
Looms installed	202,672	202,408
Looms working	185,360	185,798
Approximate quantity of cotton consumed (in bales of 392 lbs)	4,282,974	4,406.812
Number of hands employed (day shift)	476,145	473,683

Imports of Ring Spinning Frames

Towards the end of September 1949, it was stated that the Government of India had stopped imports of ring spinning frames. The removal of this ban on imports of such frames was strongly urged by the Bombay Millowners' Association in a telegram to the government, in which it was pointed out that such a ban would retard progress in the replacement and modernisation of industry and that indigenous production of such frames was neither sufficient nor upto the quality to meet the requirements of mills. The Tariff Board had inquired into the case for protection of the indigenous textile machinery industry and government

appeared to have concluded that the local industry would provide the requirements of the mills. In a memorandum to government, the mills pointed out that the ring frames produced in India were of fixed gauges and that with foreign double-driven frames, many Bombay mills had been able to effect economy in the floor space of many mills. Again, large package spinning which is in vogue universally outside India was only slowly coming to this country. Small packages with high spindle speeds for warp yarns, which the mills had been following as a policy, was increasingly giving place to larger package spinning, with resultant higher machine efficiency and reduced labour force. It was said that developments in these directions would be hampered if the mills were not able to obtain ring frames of suitable gauges.

The Indian manufactured ring frame was not, so far as gauge was concerned, admirably suitable for the wide range of conditions obtaining in the Indian industry. As ring frames represented 50 per cent of the cost of a cotton spinning plant, it was a matter of great concern for mills if they were not in a position to obtain exactly the type required for a given purpose. The Indian industry, spinning as it did a range of counts from the coarsest upto 120s, needed a wide range of ring frame gauges and lifts to meet these varying requirements. That apart, experience had proved that the imported machinery would stand the test and had set a very high standard in India for its long life, high efficiency and ability to stand the high speeds prevalent in India. This was clear from the fact that there were many mills in which imported machinery was still working which was supplied in the first ten years of the present century. The first Indian ring frame was only completed in late 1946 and although a large number of mills had installed Indian manufactured machines on trial, the Committee submitted that it was impossible in so short a time to assess whether the Indian ring frame would stand up as well as its foreign counterpart. Ring frames represented 50 per cent of the capital cost of the spinning plant and the ultimate success of any mill depended upon their efficient working over a long period. A large percentage of the existing ring spindles in India was out of date and required replacing. If the industry was to improve production and quality, the Association submitted that new equipments would be required in a volume far beyond the present capacity of indigenous manufacture.

The Association also referred to the Post-War Planning Committee's report accepted by government in terms of which mills had been allowed to balance their plant by increasing their spindle capacity by not more than 10 per cent and submitted that there would be no point in denying such mills an opportunity of getting machinery of the same type and by the same makers as their existing plant. Compelling them to instal other machinery would mean making them dependent for a very small proportion of their spare parts, etc. on different makers which meant a most uneconomical proceeding and one opposed to every canon of rational management. In these circumstances, government were requested to revise their policy about the import of ring frames.

Protection to the Textile Machinery Manufactures

Towards the end of December 1949, government made known their decisions on the report of the Tariff Board which had inquired into the cotton textile machinery industry. They published their resolution in which reference was made to the inquiry conducted by the Tariff Board in 1947 which proved to be too premature and which led to a fresh inquiry early in 1949, particularly into the condition of that part of the industry manufacturing spinning ring frames, spinning rings, spindles and plain looms. The Tariff Board's recommendations were as follows:

(1) that this industry should be protected for a period of three years, ending March 31, 1953;

(2) that a protection of 10 per cent *ad valorem* should be imposed on imports of spinning ring frames, spinning rings, spindles and plain looms used in the cotton textile industry;

(3) that so long as this country's balance of payments position requires import control in respect of machinery, the present import control in respect of cotton spinning ring frames should be continued and licences for imports should be issued subject to a monetary ceiling, keeping in view the indigenous demand and production;

(4) that, if and when import control is discontinued, a subsidy should be granted to the manufacturers of spinning ring frames;

(5) that a review of the entire scheme of protection should be made towards the end of 1952;

(6) that suitable modifications should be incorporated in the First Schedule to the Indian Customs Tariff;

(7) that Collectors of Customs and the Director-General of Commercial Intelligence and Statistics should maintain separately records of imports on the following items of cotton textile machinery;

(*a*) Spinning machinery:
- (i) Opening and mixing room machinery,
- (ii) Blow room machinery,
- (iii) Carding engines,
- (iv) Drawing frames,
- (v) Slubbing frames,
- (vi) Intermediate frames,
- (vii) Roving frames, and
- (viii) Spinning ring frames;

(*b*) Weaving machinery:
- (i) Winding machines,
- (ii) Warping machines, and
- (iii) Looms;

(8) that all the units in the industry should maintain and forward to the Tariff Board their cost data at the end of each half year, and statistics of production, sales and selling price at the end of each quarter.

Government accepted recommendations (1), (2), (3), (5), (6) and (7). Recommendation (4) was rejected in view of the circumstances of import control. Recommendation (8) was expected to be implemented by the industry. Towards the latter part of December 1949, an additional customs duty of 5 per cent *ad valorem* was enforced on the following textile machinery: spinning ring frames, spinning rings, spindles and plain looms. It may be recalled here that in 1948 the Government of India had reduced the import duty on certain items of plant and machinery from 10 per cent to 5 per cent *ad valorem*.

Central Advisory Council of Industries

The Standing Committee of this Council met in Delhi in November 1949 to discuss production trends, availability of raw materials, closures of mills and measures for reducing costs of production. The resolutions adopted stated that "the immediate problems to be faced are: (*a*) increase in production, reduction of costs and improvement of quality, (*b*) increase in efficiency of labour and management, and (*c*) improvement of marketing of products. The Conference recommended the constitution of Working Parties which should study these problems and make recommendations capable of being implemented within the existing structure. Such a Working Party was to be constituted to report on the cotton textile industry. The terms of reference were stated as follows: (*a*) measures to achieve increase of production, (*b*) measures for reducing costs of production, (*c*) measures to achieve rationalisation, and (*d*) measures to improve efficiency of management and labour. In April 1950, the Government of India announced the *personnel* and terms of reference of the Working Party for the cotton textile industry under the chairmanship of Mr. A. Ramaswami Mudaliar. The personnel is given in "The Cotton Industry at a Glance" in the earlier portion. The Working Party met in June 1950 in Bombay and appointed sub-committees dealing separately with cotton, machinery and equipment, and reducing production costs. It also issued a detailed questionnaire. Its report is expected early in 1951.

Unit Production Committees

The formation of unit production committees in industrial establishments for promoting the efficiency of workers and improving production was first thought of in 1947, but it was only late in 1948 that the proposal was actively taken up. In a circular addressed to industrial undertakings, government suggested that the existing works committees might themselves function as production committees. The committees were to take up production questions only in so far as they related to specific questions in which labour had a direct interest. According to

the millowners of Bombay, the idea of constituting production committees should be dropped in the case of the textile industry in view of the perpetual crisis facing the industry.

As a matter of fact, the problem of fully utilising installed capacity and increasing production in principal industries has been exercising the attention of government and a conference was convened in July 1950 at New Delhi. A high level body commanding the confidence of the industry was urged to be set up for suggesting ways and means of improving production and evolving methods of planning in the private sector of industry. The industrialists pleaded for realistic planning based on true appreciation of the resources likely to be available. Government's attention was also drawn to the difficulties facing each industry which hampered sustained production. The view was also expressed that available financial resources should be supplemented by an expansion of credit. These aspects are considered in greater detail in another Chapter.

Here, in this context, we would only observe in passing the increasing stress laid by many persons for linking remuneration with production. Mr. Shantilal Mangaldas, President of the Saurashtra Millowners' Association, referred to the mounting costs of many mills, particularly old units, and suggested that the wage system should be based on a scientific basis by fixing the wage in relation to the output. According to him, such a rationalisation would reduce costs and might even help to reduce cloth prices. The Indian cotton industry has a huge wage bill to meet and as such, naturally feels that productivity must be increased so as to bring down costs. One suggestion is, to start with, by fixing work loads for the occupational wages now current and providing production bonus for additional work-loads. It should be noted that these suggestions do not necessarily imply that the wage level in the industry should be brought down. What is aimed at is a reduction of the wage bill by increasing productivity. Such reduction of wage bill would only be relative and not absolute. The determination of work-load and efficiency requires a complete survey of the working conditions of each industry and it is hoped that the Working Party set up by the Central Government will tackle this problem. If a satisfactory link could be brought about between remuneration and production, about which we have our own misgivings in the present temper of labour, it would assuredly stop all recriminations between capital and labour.

We therefore close this chapter on production by drawing attention to the following essential features of the situation: (*a*) Indian textile production is declining while international textile output is increasing and as a corollary, there is greater competition in the export market; (*b*) world consumption of cotton is increasing while India's availability of supplies is more and more restricted, and further, what cotton is purchased abroad is at considerably dear prices; (*c*) internal production conditions are none too satisfactory, from every point of view whether it is machinery or labour and the incentive to manufacture is at its lowest

ebb; and (*d*) that in view of the unsatisfactory relations between India and Pakistan, it would be futile to depend on the supply of Pakistan cotton, and it ought to be the earnest endeavour of the government to augment production of cotton from within the country to at least 4 million bales, before 1952, and to aim at self-sufficiency of cotton supplies, particularly in view of the extraordinarily high prices of cotton in Egypt, Africa, California and the United States, our principal suppliers at present. These are our problems today and if they are not properly tackled, not only will the industry be impaired but a number of social consequences will flow therefrom.

CHAPTER II

TEXTILE PRICES

In October 1949, a conference of provincial ministers was held in New Delhi and it was resolved that in view of the economic situation in the country, it was necessary to reduce the prices for essential commodities. As a part of the integrated scheme of price reduction, it was decided to effect a ten per cent cut in the retail prices of foodgrains. Likewise, this plan of integrated price reduction was expected to be applied to the textile industry also and a meeting of the Textile Advisory Committee was subsequently convened at New Delhi with the Minister for Industry and Supply as Chairman. A sub-committee which inquired into the matter recommended a cut of four per cent on the then existing ex-mill prices, besides recommending also cuts of six per cent and two and a half per cent respectively in the distribution margins in respect of cloth and yarn, the abolition of excise duty on coarse and medium cloths and its reduction by fifty per cent in the case of fine and superfine varieties. The abolition of provincial sales taxes on cotton cloth and yarn and raw cotton so as to bring about a cut of fifteen per cent in the cost of cloth to the consumer was also recommended. The Committee warned the government that, unless steps were taken to bring down the cost of production in the industry, the effect of reduction in ex-mill prices of yarn and cloth would be to hasten the closing of many mills. The Bombay Millowners' Association pointed out how there was an unanswerable case for an immediate increase in ex-mill prices of cloth and yarn, but in spite of this they were willing to co-operate with government by accepting a reduction of four per cent in prices as suggested, *provided* government succeeded in bringing about reductions in other prices, especially food prices. They said that if food prices could not be reduced by 1st November 1949, there should be no reduction in cloth prices either.

The Unkindest Cut of all

The Textile Commissioner, however, duly announced the aforesaid cut of four per cent, to be effective from 1st November 1949. The mills

protested that there was no ground at all for a cut, since precedent price reductions in other commodities had not taken place and an unilateral reduction of cloth and yarn prices was unfair. They urged a postponement of reduction in the prices. Government, however, introduced the cut from 1st November 1949. The Bombay millowners protested that there was no justification for this action especially as government had agreed to revise prices every quarter to allow for fluctuations in cotton and other costs. They pointed out that prices might be revised from January 1st 1950, and that the increase in prices sanctioned by government in cotton and the higher price of *kapas* had made it impossible for the mills to continue manufacture within the ceiling prices obtaining till then. An increase in prices of fuel oil, chemicals and dyes was another argument. To this criticism, there was a reply from government during the middle of December 1949 in which they stated: "food prices in all areas except Bombay Presidency have been reduced by various percentages, the average working out to seven or eight per cent. Government of India expected that food prices in Bombay also be reduced appreciably in the near future. Coal prices and coal freight had been reduced. Coal will now cost mills 7 or 8% less, and a 4% reduction in ex-mill prices must continue. Better varieties of Indian cotton for which increased prices have been given this year are not yet in use by the mills. Not much imported cotton has been received either. The appropriate date for the next revision of prices will therefore be February 1, 1950, by which date mills would begin to use better varieties of Indian cotton and imported cotton in substantial quantities. Government propose to discuss matters fully at the Textile Advisory Committee meeting in January 1949."

To this, the Committee of the Bombay Millowners' Association again replied, "reduction of food prices in areas outside Bombay of no value to industry. There was no reduction in the cost of living. Industry was not affected by reduction in coal prices. On the contrary, there has been increase in price of fuel oil by Rs. 20 per ton, a 25 per cent increase. New crop Pakistan cotton not being available, mills were compelled to consume all stocks by the beginning of December (1949) since then managing with great difficulty by using high priced cotton of any variety available. Also due to no control on *kapas*, new Indian crop prices were far above ceilings. In these circumstances, government's view that higher priced cotton is not yet in use was wrong. Similar position applies to imported cotton and government must be fully aware of price increases which have taken place. In adopting Tariff Board's report, government promised industry revision of prices every quarter. No revision on merits undertaken for the last six months though compulsory cut imposed from 1st November 1949. The facts given above clearly establish case for immediate raising of prices. Postponement till February 1950 likely to affect very seriously industry and country's interest alike through effects on production. Association strongly urges date of Textile Advisory Committee meeting be advanced to end of December 1949."

The Official View

So far, we have given the outline of the exchanges between government and the Bombay Millowners' Association. It is now necessary to consider the details as that alone can help to understand the problem. Dr. S. P. Mookerji, the then Minister for Industry and Supply on December 30, 1949, made it clear that government were not likely to concede the industry's claim for an increase in the prices of Indian cotton cloth in so far as it was based on the reported high prices of *kapas*, but he held out a hope that higher fuel prices and certain other factors may weigh with government in periodical revision of prices. For cloth manufactured out of imported cotton, it was considered likely that a higher price would be allowed owing to the rise in the price of foreign cotton. He assured the mills that government would arrange for the import of more than eight lakhs bales of cotton, if necessary. As regards shortage of cotton, he stated that there was a carry-over of six lakhs bales for 1950-51 according to official estimates, after providing for internal consumption of 40 lakhs bales and export of 2 lakhs bales. The carry-over at the beginning of the current year was estimated at 16 lakhs bales, production being 2 lakhs bales and imports 8 lakhs bales.

There was considerable speculation about the cotton textile prices for the period beginning from February 1, 1950, and this was deprecated by the Textile Commissioner, Mr. T. P. Barat, when he returned from Delhi after attending the conference of State Ministers. Mr. Barat referred to the periodic revision of prices by the Tariff Board, though the last review due to take place in October 1949 did not take place and the industry and government had agreed to continue the July-September 1949 prices. From November 1, 1949, there was the 4 per cent reduction which was stated to be "voluntary" but was really effected under pressure. The whole case for cloth price revision put forward by the mills rested on the basic fact that they were continuing production only by purchasing unginned cotton at soaring prices. The official reaction was that they would not take into account this factor but would be guided only by the official ceiling price of cotton. The trend of discussions in the Textile Advisory Committee in January 1950 was only on these lines. In our view, the official line of argument merely begged the question, since it was based on a fallacy, namely, that cotton was technically available at the official ceiling prices, which it seldom was. On the other hand, government should have been thankful to mills for having avoided closures, even by paying higher prices for *kapas*. Had there been no cotton shortage of the indigenous varieties, the official point of view would be justified, but the cotton shortage was undeniable and acute.

Representatives of government and industry were agreed that the question of cotton shortage must be tackled effectively very soon and suitable measures taken to import 10 lakhs bales. The first batch of American cotton was expected in February 1950, while before the end of May further imports were expected. It is curious that government

should have been insisting on the level of textile output being maintained at the maximum possible level, while they were themselves conscious of the unprofitability of manufacture, especially of the varieties made out of Indian cotton. Incidentally, the millowners also represented, to the government that the various duties entering into the cost of cloth in the process of distribution should be removed and the Finance Minister was reported to be considering the question and announce his decision in the Budget. It was generally felt that the import duty on cotton should be removed, the excise duty on medium, fine and superfine cloth should be reduced, and the excise duty on coarse cloth should be abolished. To make up the loss incurred thereby, it was even suggested that an export duty on cloth may be levied. An element of speculation was also observable around whether the cotton control would be removed for the 1950-51 season. The mills were not loath to believe that, if that happened, the industry would not suffer even if cotton rates go up after decontrol, since in that case textile prices will be based on the rates actually paid for cotton. These show how hard hit the mills were by having to purchase uncontrolled cotton.

On the last day of January 1950, the Central Government declared their determination not to allow any increase in the price of cloth to the consumer, in view of the decision to revise the prices of cotton textiles on the basis of the prices for different varieties of Indian cotton of that year's crop and the actual prices of imported cotton. This was not unexpected, despite the force of the arguments of the mills, since the provincial government were dead against any increase in prices to the consumer and the Centre had also to pay at least lip service to the "integrated price reduction" policy. The official *press communique* setting out the decisions in regard to the matters discussed at the meetings held in Delhi in January 1950, stated as follows:

> "Since the recent meeting of the Textile Advisory Committee and the Conference between the Hon'ble Minister for Industry and Supply and the Civil Supplies Ministers of the States, the Government of India have considered various matters relating to cotton textiles and have taken the following decisions:—
>
> In accordance with the system of periodical revision recommended by the Tariff Board, it has been decided that the prices of cotton textiles should be revised with effect from February 1, 1950.. The basis of cotton textile prices will be the statutory ceiling prices for different varieties of Indian cotton of this year's crop and the actual prices of imported cotton. The higher prices which have been paid for imported cotton this year would have led to some increase in the price of fine and superfine varieties of cloth. The government are, however, anxious not to allow any increase in the price of cloth to the consumer. They have, therefore, decided that, simultaneously with the revision of the ex-mill prices, the excise duty on fine cloth should be reduced from 6¼ per cent to 5 per cent and that on superfine cloth from 25 per cent to 20 per cent, with the result that there will actually be a slight reduction in the price of cloth to the consumer.
>
> In this connection, it will be remembered that a 4 per cent cut was imposed on the ex-mill price of cotton textiles in pursuance of the government's general

policy of bringing down the prices of essential commodities. This cut will be maintained.

The Government of India have already allocated foreign exchange for the import of ten lakhs bales of cotton from various countries during the first half-year of 1950. They hope to be able to provide further foreign exchange for the import of additional quantities of cotton during the second half-year. Government expect that, with the Indian cotton available this year and the imported cotton, the mills will be enabled to produce sufficient cloth and yarn both for internal consumption and exports.

In order to maintain the production of medium counts of yarn to the handloom industry (particularly of Madras), and to avoid any increase in the price of these counts of yarn, it has been decided that some of the cotton to be imported during the first half-year of 1950 should be cotton of ⅞" staple, which will be imported on government account and supplied to pure spinning mills at a subsidised price equivalent to the ceiling price of equivalent varieties of Indian cotton. About 63,000 bales, out of a total import of over 4½ lakhs bales, were thus subsidised for the sake of providing yarn to handlooms, and this subsidised cotton was only supplied to pure spinning mills in Madras, for supply of yarn at suitable prices to handlooms.

Now that congestion of stocks with mills is no longer a problem, it has been considered desirable that the nominees of the State Governments should have a better opportunity of purchasing from the mills the varieties of cloth they need. The distribution procedure will therefore be modified. While the mills will continue to be free to sell one-third of their production in each variety to licensed buyers of their own choice, the remaining two-thirds will be reserved for the nominees of the State Governments. Purchase authorities will be issued to them at the end of the month of production and they will have fifteen days' time hereafter to complete their purchases.

In order to stimulate the export of fine and superfine cotton textiles, it has been decided that a refund of the import duty on cotton will be allowed at the rate of two annas per lb. on the weight of fine and superfine textiles actually exported.

The present ceiling on the price which may be charged to overseas buyers for cloth and yarn exported out of India will be removed, but the ceiling on the price which the mill may charge for an Indian exporter will remain.

A ceiling of 800 million yards of cloth has been fixed for the export of cloth from India during the twelve-month period ended August 1950. The effect of exports on the internal availability of cloth will be kept under close examination and steps will be taken, if necessary, to prevent any serious internal shortage of popular varieties of cloth without interfering with firm commitments for export. In order to maintain a sufficiency of supplies of yarn on the counts 1s to 20s for the handloom industry, it has been decided that exports of these counts of yarn will be so regulated that exports (except to hard currency areas) during the month do not exceed one-third of production. Here again, existing firm commitments for exports will not be interfered with.

In order to assist the handloom industry in its present difficult position, it has been decided as an experimental measure to reserve for handloom industry certain limited fields of production. For an initial period of six months, therefore, textile mills and powerloom factories will not be allowed to manufacture certain varieties of textiles such as dhoties and sarees with a wide border or with borders with artificial silk yarn, coloured, striped and check

sarees, check lungis, sarongs, bed-sheets and chaddars with coloured borders, certain varieties of furnishing fabrics, dusters, honeycomb towels and coarse cloth of a plain wheel (10s and below). These varieties represent a very small fraction of mill production. The reservation will be of assistance to the handloom industry, but will have no adverse effects on the mills and weaving factories.

The only long-term solution of the textile problem is for India to increase her cotton production by at least ten million bales. This matter is under consideration of government, and the steps to be taken to implement it will be separately announced within a month or so."

Instructions were issued by the Textile Commissioner to mills regarding the manner in which they should calculate the prices of cloth and yarn produced by them after January 31, 1950. The new price schedule showed reduction in prices of certain groups of cloth manufactured from Indian cotton, while the four per cent cut in ex-mill prices imposed with effect from 1st November 1949 was continued. The slight increase in the prices of fine varieties and superfine goods was expected.

Industry Ignored

The reaction to the decision on prices—particularly, the refusal to restore the cut of November 1949—was one of profound disappointment to the mills. To begin with, the Committee of the Bombay Millowners' Association protested strongly against the decisions which were stated to have ignored the advice of the Textile Advisory Committee completely. In their telegram, they said: "Government have blindly refused to recognise actual prices legitimately paid by mills for *kapas* although such prices are solely due to government's failure to control *kapas* prices. To base cloth and yarn prices at artificial government ceilings is a great injustice to industry. On the contrary, to insist upon a decrease in prices even under these circumstances merely because no Pakistan cotton is now available, ignores the fact that in price formula some other Indian cotton has to be substituted of equal staple at higher prices. To treat industry in this manner after co-operation shown at October meeting when we acceded to government's request for a four per cent voluntary cut in prices against definite assurances which have not yet been implemented is indefensible. Association fails to understand why government have decided not to remove export price control. . . . Retention of 8 per cent margin for cloth sold to exporters is likely to have reverse effects to that desired by government, viz. to maintain interests of export merchants.

In spite of unanimous recommendations of the Advisory Committee to which Government agreed, government have thought fit to subsidise short staple American cotton for yarn spinning mills.* This subsidy alone will

* It may be explained that the subsidy on cotton was given for the sake of supplying yarn to handlooms at the current prices, to enable them to continue working. This cotton was supplied to purely spinning mills, and all the yarn manufactured therefrom was only supplied to handlooms. None of this yarn was exported out of India.

cost the government more than 2 crores of rupees and will raise dollar exchange, as price of short staple American cotton is only slightly less than better types and longer staple of Californians. Association must draw government's attention to disastrous effects of whole announcement and strongly urge reconsideration on following lines : firstly, immediate revision of cloth prices based on actual cotton prices ; secondly, immediate restoration of four per cent cut in ex-mill prices ; thirdly, complete removal of export price control ; and fourthly, complete removal of excise duties to lessen effect of higher prices to consumer."

In their reply, Government of India regretted their inability to entertain any proposal for increase in the prices of cotton textiles, but they gave expression to their appreciation that the policy imposed some sacrifice on the textile industry. As regards export price control, their defence was that control over price of sale to Indian exporters had been retained because much of the export trade was still in the hands of exporters who should have adequate incentive to increase total exports and also because government felt that mills could directly export and get the full benefit of decontrol of export prices. They also stated that government attached due weight to the opinion expressed by certain millowners in regard to subsidising short staple American cotton, but felt that the balance of advantage would lie in subsidising part of cotton to be imported from America for maintaining production of counts of yarn required by handlooms. They expected the industry to fall in line with themselves since government had also decided to bear part of the burden by reducing the excise duty on fine and superfine cloth.

We have, at the risk of being considered prolix, given almost the full text of the government announcement, the mills' reaction and the government's reply thereto, as the issues involved are clearly understandable from the communications. It should, however, be stated here that on the 15th February 1950, government fell in line with the suggestion of the mills to remove all control over the sale price of cotton piecegoods to overseas buyers. The official press note, however, attributed this decision to the recommendation of the Export Advisory Council which met on the 11th February 1950 ! So suspect are the suggestions of mills these days in official eyes !

The Plight of some Mills

The Ahmedabad Millowners' Association categorically stated that it would accept no responsibility if the prices of cloth for domestic consumption were to shoot up and defeat the very object of government to supply cloth to consumers at controlled rates. It said that the revised prices will be absolutely unremunerative and 2/3rds of the textile units will be either facing losses, or they would be compelled to close down with resultant loss of production and unemployment. The consumer was, of course, happy at the decision to maintain the cut, so also were the provincial ministers whose one aim was to escape the unpopularity of higher prices. The Stock market, however, reflected the industry's

view when textile shares along the whole front staged a decline. The main contention of the millowners was in regard to the basis for fixing prices. They pointed out that Indian cotton was not available at the ceiling prices nor could they afford to keep the mills closed till the Textile Commissioner offered the requisite cotton because the resultant dislocation in the matter of mobilising labour and re-starting mills would be too much. It was felt that the mills turning out coarse and medium varieties which were working at a loss already would be put to further losses as a result of the revised prices. Those making fine and superfine goods were unaffected more or less but this very factor, it was feared, would produce a greater tendency to use foreign cotton subject of course to limitations of plant.

Refund of Import Duty on Cotton

Another consolation was that relating to the refund of the import duty on raw cotton used for manufacturing cloth for exports. While this was expected to give a great impetus to the export trade in cloth, it was pointed out by the industry that the refund would only help those mills in competing in foreign markets and that it should be granted not only on weight of cloth exported from the country, but the actual weight of foreign cotton used in cloth and yarn exported from India regardless of whether the cloth in question was wholly or partly manufactured from foreign cotton. The mills also suggested that the rebate should be granted to the mills which had manufactured the cloth or yarn and not to the exporter. Another valuable point emphasized by the mills was that the proposal to limit the scope of the rebate only to fine and superfine cloth would unnecessarily exclude from the benefits of the rebate that section of the industry which was producing medium goods consisting of peculiar varieties of long-cloth and susis which were manufactured wholly from imported cotton or partly from Indian and partly from imported cotton.

By the end of April 1950, it was becoming increasingly clear that the outlook for the mills was anything but bright. For one thing, the Indo-Pakistan trade agreement completely omitted cotton. Further, the real difficulty was the price factor and the Textile Commissioner had announced that there will be no change in the price schedule for the third quarter, barring an increase of one to one and a half per cent in the case of fine varieties and possibly a two per cent decrease in the prices of superfine varieties. Fine and superfine varieties were about thirty per cent of the total output but the real rub was about the coarse and medium varieties. The mills had been making ends meet by exporting, but even there the shipments of coarse and medium varieties were suspended (this was later withdrawn), so that even a mill like Bombay Dyeings was stated to be running at a loss. Early in June 1950, the difficulties of the industry had clearly mounted up and it was reported that a prominent millowner from Bombay had been summoned by government to present the case of the industry in regard to the prices and

supply of raw cotton and cloth prices in the internal markets. What probably exercised the government's mind was not so much the complaints of millowners, but some hard realities like the poor balance sheets of some textile mills and the definitely downward trend of production. As things were, the 1950 production was not expected to be more than 3,600 million yards, while as regards yarn the position was expected to be worse as a large number of the South Indian mills were affected by power cuts hampering production. The issue of domestic prices was temporarily shelved on the view that losses caused thereby should be made up by mills from the export market. In other words, government were not unwilling to exploit the foreign customer for the sake of the Indian consumer. This attitude, though commercially justifiable, fits in badly with our dependence on foreign countries for other goods. Moreover, such a policy would ultimately have the effect of pricing Indian textiles out of foreign markets and has nothing more than naked expediency to commend it. The question was expected to come up before the Minister during his visit to Bombay in the middle of June.

Cotton Policy Revision

By the middle of June 1950, the millowners who are ordinarily averse to an upward revision of cotton ceilings had become converted to the view that an upward revision of the existing ceilings by Rs. 150 per candy for the year 1950-51 was desirable. The Textile Advisory Committee had actually recommended such an increase. From the point of view of the mills, especially those facing losses in the domestic sales of coarse and medium varieties, the primary advantage of an upward revision in cotton rates lay in the fact that they would not have to pay the high premia for the raw materials, without having them taken into account in the official price schedule. Further, since the then current ceilings were far below the world parity as well as unremunerative in relation to the rates of cash crops, the cotton grower also had an interest in the upward revision of cotton prices. Moreover, inasmuch as the then existing ceilings were only on paper, with all actual transactions well above those ceilings, it seemed only a legal change without much material consequence.

Mr. Neville Wadia, the Deputy Chairman of the Bombay Millowners' Association, had at the last annual meeting in April 1950, actually proposed an increase in cotton prices. He calculated that the effect of a rise of Rs. 150 per candy for cotton would cause an increase of about 3½ annas per pound, which is equivalent to six to nine pies per yard. Taking into consideration the average *per capita* consumption of mill-made cloth in India at about 12 yards, Mr. Wadia concluded that the increased cost to the average consumer would only be about nine annas per year. Mr. Wadia suggested that, out of that, three pies per yard would be removed by the removal of the excise duty on coarse and medium cloth. The suggestion seemed attractive, but it was running counter to the official policy of maintenance of the price level, especially in the general atmosphere of feeling that control over *kapas* was not practicable and desirable. The arguments for and against higher cotton

prices were freely canvassed and scouted by each party according to its way of thinking. And the general feeling was that the Cabinet would be against its upward revision, particularly in the absence of the Prime Minister, who was away in Indonesia. It was also stated on good authority that only a little while ago the Planning Commission had resolutely turned down a suggestion for an increase in cotton prices.

The Hon'ble Minister for Industry and Supply, Shri H. K. Mahatab, arrived at Bombay on the 13th June 1950, and discussed the question of revision of prices of cotton with various interests. We had also an opportunity of expressing our opinion on the question, and we stated that although the Bombay Government were opposed to a rise in cotton prices, it would be both prudent and statesmanlike if the Government of India decided to take courage in both hands and increased the ceiling price of cotton. It was well known that the ceilings had been pierced, and it was pointless to keep up the pretence that the price of cloth should be calculated in accordance with the prescribed ceiling prices of cotton. We therefore urged that the government should abandon their vacillating and " do-nothing " *status quo* policy of the past in respect of cotton and cloth, which had led to the present impasse, and suggested that government should take a step which would lead us forward to the cherished goal of more production of cloth in the near future.

We also pointed out that it was our feeling that if two years ago the Government of India had not quibbled about the half anna increase per yard in the case of coarse cloth as recommended by the Siva Sankar Committee, and had not been unduly obsessed with the increased burden of just about six annas per annum on the consumer on his average consumption of 12 yards of cloth, by agreeing to the increase of half anna per yard of cloth, and had they not made this a political issue and set their face against any increase in cloth prices, however justified, perhaps the history of the cotton textile industry in the country would have been differently written. The additional burden of half anna per yard of cloth would not have been felt by the consumer, while it would have been appreciated greatly by the industry and would have made considerable difference to the production of cloth.

It was a great surprise to find, however, that the Hon'ble Shri H. K. Mahatab, in appreciation of the urgency of the question, was able to persuade the Cabinet to agree to a rise in cotton prices, and within 48 hours of his reaching Delhi an announcement was made that the Government of India had decided to raise the cotton prices by Rs. 150 per candy for the cotton year beginning from September 1950. This bold, though somewhat unexpected, decision of the Government was greatly welcomed in all circles. It was of course a belated confession that cotton control during the two previous seasons had been a failure, and was a token of the present determination of the government to straighten textile matters as soon as possible. It is a pity, however, that on the issue of restoration of the 4 per cent cut in cloth prices the government stood adamant. We hope that this will be set right before long and an adequate increase in the price of cloth will be announced by the government at an early date.

Along with the increase in the price of cotton for the next season, the Government of India stated that they were considering a proposal for collective purchase of cotton in order to ensure that the ceilings are not again broken. There was no unanimity to this proposal from the mills in various parts of the country, and the cotton trade was unequivocally opposed to it. We have dealt with this question more elaborately in the chapter on cotton.

At the end of June 1950, it was clear that the Ahmedabad mills were finding it very difficult to carry on. Some resigned from the Association in protest, others felt that the increasing burden of dearness allowance and bonus was bearing too hard on them, particularly as cotton was hard to obtain. As already stated, they did not have much faith in approaching the Textile Commissioner for even distress supplies of cotton. Naturally, some of them were prepared to lend support to the cotton collective purchase scheme. But the Bombay Millowners' Association was definitely opposed to the scheme of collective buying, and as for the others, they had their own misgivings, about the implementation of the scheme.

Korean War and After

The outbreak of war in Korea in June 1950, sent up all prices, not excluding textile prices, in the markets, and government were genuinely worried about the effect of the price increases on the consumer. As usual, there was a hoarding movement in finer varieties of cloth. Government were actively considering the legislative steps they should take to check prices. In the case of textiles, the existing scarcity brought about by lower total production and larger exports was expected to be aggravated. Mr. Kasturbhai Lalbhai in an interview stated that " with thirty per cent of exports and 20 per cent decline in production, there is a forty-five per cent fall in cloth available for home consumption. Naturally, there is rise in prices, and there is difficulty in obtaining cloth." Mr. R. G. Saraiya at the second quarterly meeting of the Indian Merchants' Chamber, Bombay, also referred to the pressure exerted on internal prices by the higher prices obtaining for Indian exports.

So far, there is no gesture from Pakistan to send its cotton to India. On the other hand, the two countries have drifted back to greater discord. Foreign cotton supply is not adequate, though, speaking negatively, two months of strike in Bombay may have saved up some cotton for the mills. Although the price problem is still as acute as ever to the mills, various factors like exports, strike, etc. are masking the real impact of the present uneconomic price policy on production, as well as the will to produce. We are, however, certain that the price question will come up again before long in a much more insistent form and if government care for production, we strongly feel that they should not for the sake of a meagre increase, stultify the manufacturers. The problem ought, we suggest, be approached in a practical and realistic manner.

CHAPTER III

TEXTILE EXPORTS

Textile exports assumed their greatest importance during the year under review. This was due to the active encouragement given by the government to cloth exports, while the devaluation of the rupee also stimulated exports to a considerable extent. Textile exports to hard currency countries in particular were a valuable source of foreign exchange and government after a time even removed the export duty completely and at the same time allowed more cloth to be exported out of India than in any other year. For the twelve months ended June 1950, a quota of 800 million yards was fixed at first, then it was subsequently changed to 1,000 million yards for the period September 1949 to December 1950. The actual exports between September 1949 to February 1950 amounted to 440 million yards, leaving a balance of 560 million yards for export from March to December 1950, exclusive of exports to hard currency countries, as well as exports of handloom cloth and fine and superfine cloth.

Although the country as a whole has been able to appreciate the necessity of exporting textiles as much as possible, the considerable decline in mill production during the year under review (to about 3,700 million yards) came in handy to some critics of government's policy to say that the consumer was put to hardship. Normally, taking mill production at 4,300 million yards, handloom production at 1,750 million yards and imports at about 100 million yards, the available total supply of 6,150 million yards would, after providing for internal consumption at 16 yards *per capita,* leave a margin of 750 million yards for exports. If therefore in a year in which total supply of cloth is very much less than 6,000 million yards, 800 to 1,000 million yards are exported, it is clear that exports to some extent have to be at the expense of the consumer. There is nothing wrong about this since in a country like the U.K. for instance, the internal consumer is starved of supplies, in order to concentrate on exports, because without exports the U.K. can hardly live. In view of India's need for foreign exchange to import food, our case is similar to that of the U.K. and the purists of consumption should not shudder at the thought of an export target of 1,000 million yards for textiles.

Export Profitable

There is another aspect also to this question. Supposing for a moment that government had, out of excessive deference to such critics of exports, fixed a very small quota of exports, say 200 million yards, the result would have been the complete wiping off of all the mills from the picture. Let us admit the fact that, but for exports, mill balance-sheets would have made sorry showing and many mills would have closed down long ago. For many of them, the loss on the cloth produced for internal consumption, such as medium and coarse varieties, was only made good

in part by the attractive margin of profit available on exports to foreign markets. That margin was good, as there was no control on export prices and devaluation as well as the lower parity prices of Indian cotton helped to make the profit bigger.* At the same time, the past year's experience shows that Indian exporters are prominently in world markets and in the volume of exports among Empire countries, India leads. It will be conceded that this is a very healthy development though, as we shall see later, it is going to be a hard task to maintain that lead in the face of what looks like the beginning of a terrible era of competition with Japan as in the twenties.

Export Promotion Committee

Reference was made in the last *Annual* to the appointment of the Export Promotion Committee, under the chairmanship of Mr. A. D. Gorwalla. The government's decisions on the Report of that Committee were stated in a resolution dated 8-11-1949. The following were some of the decisions taken by government on the recommendations of the Gorwalla Committee:

(1) Steps will be taken to liberalise export control further and particularly to reduce restrictions on the exports of manufactured goods to the minimum. (2) The licensing procedure as well as other formalities will be simplified so as to eliminate delays and inconvenience to the trade. (3) When goods are to be exported upto a total quota, exports will as far as possible be allowed to go freely until the quota limits are reached. (4) Processing and re-exports of goods of soft currency origin will be encouraged. For this import quota will be increased where necessary. (5) Those engaged in the export trade or in producing for export will receive full consideration in the allocation of controlled raw materials, grant of import licences, supply of packing materials and provision of transport. The Chief Controller of Exports will assist in cases of difficulty. (6) Steps will be taken on the lines of the recommendations of the Committee to ensure that the quality of Indian exports is such as to give no cause for complaint to overseas buyers and that if any complaints are received, they are promptly dealt with and settled. (7) Government will be ready to revise export duties whenever the conditions of trade seem to warrant such action. (8) Steps to ensure that provincial sales taxes will not apply to exports in the future have been already taken. (9) The question of giving a rebate in respect of import duty paid on raw materials used in any processing industry will be considered sympathetically subject to the necessary administrative arrangements to establish the identity of the raw material used being practicable.

Measures to give relief to persons trading in countries with which there is no double income-tax relief arrangement are also under consideration.

* Although India imports a large quantity of foreign cotton at high prices, it ought to be realised that all her exports are of medium and coarse cloth, produced from indigenous cotton.

Developing Exports

We have already noticed that between September 1949 and February 1950, actual exports had amounted only to 440 million yards. In January 1950, exporters in Bombay were considerably shaken by a report that the Central Government were trying to reserve the export trade in cloth to the industry. It was stated that the Textile Commissioner had informed millowners that importers in Australia and New Zealand were anxious to import textiles directly from manufacturers rather than from merchants and middlemen in India. A number of mills belonging to the Bombay Millowners' Association had received a circular seeking to ascertain whether they were willing to export cloth direct to overseas countries. Government were apparently of the view that direct contacts between the mill and the importer abroad will be beneficial. Since only a few textile mills had their own established organisations abroad, doubts were felt whether a large number of them would favour this direct export procedure, as that would bring numerous problems in addition to the headaches they had already on the production side. Meanwhile, textile circles were also treated to statements and denials from Delhi. A press note issued by the Commerce Ministry announced the removal of ceilings on export prices of cotton piecegoods. This pleased manufacturers and markets but a denial was later issued that no such decision had been taken by the government. Merchants regretted the indecision of government in the matter and pointed out that cloth manufactured from Indian cotton was the cheapest in the world owing to the pegged prices of cotton. Overseas purchases of Indian cotton goods are generally confined to coarse and medium varieties such as drills, napkins, bedsheets and grey cloth for which Indian cotton is entirely used. During December 1949 and January 1950, British importers placed large orders for bulk lots of grey cloth because prices and qualities were found acceptable from their point of view of reselling the stuff to European countries after processing. In fact, all reports testified to the fact that Indian cloth was making considerable headway in Ceylon, Sudan, Aden and Australia, while there was good demand from British, West, and East Africa. Even in Malaya and Far Eastern markets, India was competing successfully with both Lancashire and Japan. The price factor was of course the main inducement and overseas importers showed themselves anxious at this time to enter into firm contracts with Indian shippers and manufacturers for cotton cloth made from Indian cotton. British inquiries were broader. It was reported however that an element of uncertainty was introduced by reports that millowners were pressing government to raise the price levels to compensate them for the rise in the cost of the raw material and textile auxiliaries. Rumours of decontrol and of an impending change in government's attitude were also holding up business, but the saner elements were only expecting export control of cloth to be removed.

By the middle of January, stocks of shirtings, drills, leopard cloth, and mosquito netting were very low, particularly grey and bleached shirtings. In fact, exports of cotton piecegoods from Bombay alone were

said to have mounted up from 19.5 million yards in May 1949 to 52.7 million yards in November 1949, spectacular increases being noticeable in white bleached goods. Exports of grey shirtings were also considerable.

The All-India Exporters' Association in a memorandum to government submitted in January 1950 said that in view of the higher prices of raw cotton and the need for earning foreign exchange, three courses open to government were: removal of the ceiling prices for exports and permission for mills to export as indicated in the official announcement issued through inadvertence and complete decontrol of export prices as well as a revision of the ex-mill prices in favour of the mills. The Association also pressed for removal of the import duty on raw cotton and such imports. In some circles, it was feared that the mills will be reluctant to sell goods directly to exporters since it will yield them only the 8 per cent profit margin fixed by the Textile Commissioner for such sales to exporters over the ceiling prices and it would be more profitable to the mills to eliminate the exporter. It was alleged that some mills were demanding upto 30 per cent " on money " over the Indian ex-mill prices from foreign syndicates for export of cloth and hence a limit on export prices was suggested by some.

Export Boom

Early in February 1950, the export trade was developing vigorously and an all-round improvement in administrative efficiency was reported in the issue of licences. In a majority of export commodities, the system of granting preferences to established shippers was abolished and complaints on that count were also much less. It was generally noticed that there was change in emphasis in the fiscal policy of the government from export *control* to export *promotion*, and that government were anxious to boost exports while the going resulting from devaluation was still good. The shippers and exporters were carrying on an agitation against the retention of control on prices to be charged by mills for cloth supplied to them. Following the abolition of control on prices chargeable to overseas buyers of Indian cloth, side by side with the retention of controls on prices charged by mills to exporters, a situation was created whereby mills were reluctant to sell cloth to shippers as already stated. The managements of many mills in Bombay had opened their own organisations for contacting export markets and several others were reported to be insisting that exports should disclose the names of overseas buyers as their goods could be sold on an f.o.b. basis. Thereby shippers were reduced to the status of commission agents. Only the mills in upcountry centres were unable to take advantage of either of these two methods and had to depend upon exporters. They had also the further disadvantage of having to incur transport charges from their mill to the port town. In every way, therefore, the mills at ports were more favourably placed as regards exports. In view of these circumstances, the shippers were loud in their grievances and warned the government that their decision in the matter of prices of exports would adversely affect total cloth exports. About this time, export demand

had also slackened a little. Overseas reports were unfavourable. Importers in Singapore turned away from the Indian markets when cloth prices declined on the issue of import licences for Japanese cotton goods. Ceylon was reported to have issued licences for importing Japanese goods ; Iraq had put some restrictions on imports and inordinate delays in the issue of import licences in Burma were also alleged. It was also said that some mills had cancelled contracts at the last moment on the ground that no cotton was available. Such abrupt cancellation of contracts did harm to the country, but the mills concerned had their own troubles. Notwithstanding all these, the increase in exports during the last two months of 1949 was very pronounced.

Since the turn of the year, the index of wholesale prices started to advance and as a result even the prices of manufactured goods were expected to go up. According to Mr. D. O. Assomull, Chairman of the textile section of the Singapore Indian Chamber of Commerce, Indian shippers were quoting about 25 per cent more and as such, not much business was put through in February 1950. He made it clear that Singapore would not turn to India for goods if restrictions on imports from Japan were relaxed. Moreover, it appeared that Indian shippers had earned a bad name for quality and their business practices were the subject of much criticism, as we shall see below.

Export Advisory Council Meeting

The Export Advisory Council met in Delhi on February 11, 1950, with the then Commerce Minister, Mr. K. C. Neogy, in the chair. The effects of devaluation on export trade, liberalisation of export control, facilities for re-export were some of the matters under discussion. It was admitted that since the Report of the Export Promotion Committee, administration of export control had improved considerably. There was general approval of the policy of relaxation of control that government had progressively followed. It was considered possible to complete the export target of 800 million yards by August 1950. The change in the government's emphasis from export control to export promotion was reflected in the rise in the total exports from Rs. 30 crores in June 1949 to Rs. 51 crores for December. The over-all picture was, however, gloomy since the adverse balance of trade for the year was said to be considerable despite a substantial rise in exports. The popular belief that devaluation had made the exporter's task easy has to be tempered by the reflection that though the rupee value of exports may rise, the earnings of hard currency can be maintained at the pre-devaluation level only if the volume of exports to hard currencies rises at least by 44 per cent. Devaluation of the rupee increased the competitive power of Indian goods abroad, but the advantage was lost to some extent by the rise in prices in this country since September 1949. Only the value of exports had increased and the quantities exported had either remained the same or increased negligibly. The rise in export prices of cotton goods following the abolition of export price control was militating against export expansion.

Revision of Quota

The following approximate figures of confirmed bookings (actual purchases made from the mills for export through Bombay Port) give an idea of the mounting graph of export trade in piecegoods. September (1949) 70.8 million yards; October 88.4 million yards; November 143.5 million yards; December 138 million yards and January (1950) 95 million yards. Actual shipments against these bookings were as follows: September (1949) 29.5 million yards; October 46.2 million yards; November 52.6 million yards; December 75.8 million yards and January (1950) 89 million yards. The corresponding figures for Madras and Calcutta ports are not available, but on a conservative basis trade circles estimated them at an aggregate of five to ten million yards. A significant trend in India's piecegoods export drive has been the recent large purchases by the U.K. Bookings on behalf of that country alone were then estimated at 30 million yards.

Towards the end of February 1950, the scramble for acquiring export quotas was very great: and the year's quota was exhausted though several months were yet to run. It was feared that India would be isolated from her overseas clients if the trade was brought to a standstill. One of the proposals put forward for consideration was that government should fix the total export quota for the calendar year instead of for the twelve months ended August 1950. The target of 800 million yards had been reached and an urgent meeting of the Cotton Piecegoods & Yarn Advisory Committee was held on the 2nd March 1950 to consider measures by which government could avoid a stalemate in the cloth export market that might follow a sudden stoppage of the issue of licences. The Textile Commissioner had informed this Committee that, inclusive of bookings and licences issued, the aggregate of 850 million yards had been reached three months before the target period. Export traders pointed out that the figure did not represent actual shipments. The outstanding transactions to the extent of 247 million yards at the end of January included bookings of 154 million yards for export in February, 57 million yards in March, 25 million yards in April, 12 million yards in May, 8 million yards in June and 2 lakhs yards in July. Of the confirmed licences of 95 million yards in February, about 25 per cent was expected to represent spot delivery sales. In effect, exporters were stated to have emphasized that it was impossible that 117 million yards were exported in February alone.

Officials recognised the need for continuance of export and it was said that they would announce a further quota of 150 million yards to the exports upto the end of September 1950. By this, a regular flow of piecegoods could be ensured. Exporters also felt that such an announcement would slow down the rate of booking. Moreover, countries like Malaya, Aden, East Africa, etc. were expected to import Japanese textiles, so that demand might be less keen. Internally, exporters were also complaining of premium rates they had to pay to millowners and often delay by the latter in the delivery of goods.

New Licensing Procedure

To prevent the misuse of licences, a new system of licensing was expected shortly, under which the exporter would have to produce the contract with the mills in 15 days' time, as against a month's time so far allowed at the time of applying for licences. No changes in the specified destination will be allowed as heretofore and the exporter would also have to produce the consignee's name. These clauses were expected to seal up the loop-holes in the system in force hitherto and a clearer picture of the general cloth export position was expected to be available within two months.

The following instructions were notified (March 13, 1950) : " (1) Exporters may specify any two consecutive calendar months as the period of shipment. In cases where shipments against a licence are proposed to be made in more than one instalment, the period of shipment (which would be two consecutive calendar months) may be specified separately for each instalment. (2) All future applications for licences in addition to complying with the requirements of clause (*c*) of para 2 of notice No. 2673 should also be accompanied by firm orders from the consignees to whom export is intended to be made. If the firm orders are received from selling agents in foreign countries, they should indicate the name of the ultimate consignees ; otherwise the orders from selling agents will not be accepted for the purpose of issuing licences. As consignees' orders are checked before the issue of licences, there is no need to produce them again at the time the final contract with the mills is presented for registration. (3) Exporters are given a further period of one week from March 10, 1950, to furnish the information called for in clause (*a*) of notice No. 2673. (4) As regards unconfirmed licences which were outstanding on March 3, 1950, they should be got confirmed on or before March 17, 1950, provided that on the date of application for confirmation the licence is not more than one month old."

Early in April 1950, the difficulties arising from the new export procedure were discussed by the exporters with the Chief Controller of Exports and the government's action in stopping the issue of licences for a few days at the end of April was criticised. It was understood that applications filed with the export authorities for business concluded by the mills with overseas buyers during the 10 days amounted to about 45 million yards. It was urged by exporters that government should permit shipments of these quantities as they were within the export quotas. Government, however, contended that the balance of the quota left was only 60 million yards and that if shipments of 45 million yards were permitted as demanded, it would upset the export position for the next six months besides adversely affecting the consumer here. Government were inclined to permit shipments of the quantities involved in the contracts made before the announcement of the new policy provided they were shipped after September. The exporters made a strong representation to relax the restriction and to permit the shipments before June. Government were further expected to relax the restrictions preventing a change in the destination of shipments. The suggestion was

made by exporters that government should permit exports of cotton piecegoods made out of imported cotton of counts below 30s, outside the export quotas on the same lines as the export of fine and superfine varieties. The matter was expected to be given sympathetic consideration.

Yarn Exports

The export demand for Indian yarn had been rising sharply after devaluation and the absence of restrictions had the effect of diverting supplies to the export markets when they were needed badly at home, particularly in respect of yarn of 20s. The result was that handlooms were starved of supplies and obtained only 40 per cent against their demand of 80 per cent of this variety. The Madras Government made representations as a result of which the Textile Commissioner banned exports of yarn upto 20s.

Survey of Exports

The Cotton Textile Fund Committee met in Bombay in April 1950, and appointed a small sub-committee to conduct a survey of the cloth and yarn which is produced for exports in mills in India. The sub-committee was to go into the question of the need for setting up a small organisation for supervising export of textiles. The survey was to throw light on whether the cloth or yarn supplied is in accordance with the samples and specifications in respect of which a contract is made and whether the packings of cloth and yarn meant for export is such as to withstand transportation by sea over long distances. In this connection, we would refer to several complaints from the Indian Trade Commissioner in Australia and in other countries, which shows that all is not well with the specifications and packings of goods exported from India, and this does not redound to our credit. This deserves immediate remedying.

In the month of May 1950, reports from overseas countries indicated that India's foreign trade in yarn was shrinking as importing countries were said to favour supplies from Belgium and China on account of their lower prices. Even the U.S.A. which usually imports large quantities of short staple cotton and cotton waste from India seemed disinterested and exports during April and May were much lower. American offtake was said to have declined by 60 per cent. Agents of Indian shippers in Africa were complaining that Indian cotton had become unsaleable owing to high prices and sometimes poor quality. The prospects of selling Indian cotton in Europe were not also bright. Although owing to the acute shortage at home, India's interest in the export market for raw cotton has declined, there is a certain short staple cotton which commands good demand from the U.S. However, that was not the case now since cotton shippers in Bombay were informed by foreign importers that so long as exporters do not quote lower price, there was no prospect of selling Indian cotton in Europe.

A similar depressing story was heard in Singapore and Hong Kong, where stocks of Indian cloth had accumulated, in these re-exporting centres mainly because of the devaluation of the Indonesian currency and ban on the import of textiles from Singapore. Similarly, Communist China was also reported to have prohibited the import of Indian textiles from Hong Kong. This abnormal situation had led to the cancellation of contracts and great delay in the disposal of stocks.

Textile Mission to Australia proposed

During the middle of June 1950, negotiations were reported to be in progress between the Federation of Indian Chambers of Commerce and Industry and the Government of India on the question of sending a delegation to foreign markets, to boost exports of Indian textiles. The official proposal was to concentrate on Australia which is the most important market for Indian textiles, but the Federation suggested to the government that the delegation should also visit New Zealand, Indonesia, Malaya, Philippines, Burma and other neighbours. Later, in September 1950, owing to the shortage of exportable goods, it was decided to postpone consideration of this question.

China's Demand

In June 1950, reports from China indicated that supplies of raw cotton and yarn available to China's textile industry would hardly maintain mill operation at 40 per cent of the previous year's level, before the arrival of the new crop in October. The 1949-50 crop was estimated at 10,70,000 bales, which was the lowest on record. The textile industry was expected to require about 700,000 bales from outside. China was importing large quantities of cotton yarn and cotton from America and Pakistan, but with the coming of the Communist Regime, American exporters broke off trade relations and China was reported to be contemplating an approach to the Government of India for supply of cotton and yarn. Pakistan prices for raw cotton were considered to be unfavourable, though for many months, they had exported a certain quantity. Chinese mills fancied Indian cotton and yarn as more cheap and as diplomatic relations between Indian and China had already been established, shippers were hoping for a trade pact to be concluded. The problem was, however, not so simple as Indian cotton has been in short supply and cotton yarn was badly required by handlooms. In fact, Shri H. K. Mahatab had even stated that government would restrict yarn exports in the interests of handlooms.

Indo-Pakistan Trade

The question of Indo-Pakistan trade is separately discussed elsewhere but it might be mentioned that as a result of the discussions between representatives of the two governments, an important decision reached in June 1950 was that the provisional licences issued by the Government of India to the exporters of textiles were made valid beyond the dates specified so as to cover any reasonable time which Pakistan importers

might require for opening letters of credit. A Pakistan press note issued by the Ministry of Commerce said : " It is believed that the importers in Pakistan will be able to negotiate fair and reasonable prices which they were unable to secure during the short time allowed to them. As a further step to facilitate the imports of cloth from India, it has also been decided that, to the extent Pakistan importers are unable to open letters of credit in favour of the existing licence-holders in India, the Government of India will, on the production of proofs of a firm contract with any Indian exporter, grant an export licence to the party concerned in India upto the quantity specified in the contract, provided that the quantity does not exceed 500 bales in any one case. Upto July 31, 1950, the provisional licences for exports of cotton textiles were extended."

Licences stopped for some time in 1950

According to a press note issued by the Commerce Ministry, Government of India, devaluation had stimulated export of Indian cotton piecegoods to hard currency countries and upto 1st April 1950, a million yards had been exported. The note conceded that the results were not spectacular, though the volume of handloom cloth exports was better than in 1949. The average export of handlooms was said to be about 5 million yards per month. The press note also announced that no further licences for export of medium and coarse cloth to soft currency countries would be issued for the time being. Licencing would however be resumed in July for shipment after September 1950, added the press note. The ban on coarse and medium varieties was the subject of complaints by shippers who pointed out that a sudden stoppage of exports for which they had accepted firm commitments in good faith would result. The Export Trade Controller replied that such exporters should produce documentary evidence to show that a firm contract had been entered into by them before the ban on coarse and medium varieties has imposed. Such exporters were also asked to find out from overseas buyers whether shipments from September 1950 would be acceptable to them. The feeling in export circles was that government's reasons were not quite convincing, especially the argument that the export of the banned varieties before September would upset the internal supply situation. They pointed out that there was nothing to prevent the mills from delivering the stocks to exporters earlier.

Cloth for Soft Currency Areas

Towards the end of July 1950, the official policy underwent a further change. Presumably, as a result of the pressure brought on them, the Government of India announced on 21st July their decision to licence 125 million yards of coarse and medium cloth for export to soft currency countries for shipment before December 1950. (Of course, by that time, the total exportable quota of 1,000 million yards upto the end of 1950 had already been made known.) At the same time, it was stated that the licences will be restricted to those exporters who had shipped piecegoods in 1948-49 and each licensee's quota would be in proportion to the

shipments made by him in 1948 or 1949. This decision brought the total quantity of cloth available for shipment during the remaining months of the year to 376 million yards, including 25 million yards made available to 'uneconomic units' and 173 million yards licensed for shipment upto June but not yet exported. The point about the relaxation of the ban on the exports of coarse and medium cloth is that it came just when the Korean war had pushed up prices in the country and prices of textile piecegoods had gone up. Three months earlier, the export of these varieties was stopped on the plea of internal demand. Actually, there was not much logic in permitting the export of these varieties when stocks were going underground. We say this not to question the wisdom of exporting, but to stress the logical incoherences in official announcements issued in support of their decisions from time to time.

Procedure for Export of Coarse and Medium Counts

The procedure for the export of these textiles upto 125 million yards during July-December 1950 to soft currency countries was stated as follows: "Quotas will be granted to those exporters who have made shipments during the calendar year 1948 or 1949, according to their choice as to the basic year for the purposes of receiving quotas and on production of valid income-tax verification certificate registration or exemption number for the current half-year. Exporters desirous of participating in the quota should submit within one month the necessary certificates for exports made by them during the basic year, exclusive of exports for Pakistan, Nepal, French territories and Portuguese possessions in India. An exporter will be given an interim quota for a quantity equal to 20 per cent of the basic exports. The quota licence will be valid for export to any permissible destination other than Pakistan, Nepal, Portuguese possessions and French territories in India, for which territories a separate procedure will be followed. Non-production by shippers of the necessary certificate within a period of one month will render them ineligible for any allotment. Shippers whose share of quota on the basic exports comes to less than 5,000 yards will not be granted any quota. Shippers whose share comes to more than 5,000 yards but less than 10,000 yards will be given a quota of 10,000 yards. Although no destinational quotas have been fixed, exporters have been advised to encourage supplies to countries to which they have exported in the past. If in actual practice any important markets do not get a reasonable share of the quota now announced, *ad hoc* releases may be made by Government in favour of such countries."

Export trade circles in Bombay generally welcomed the announcement as the best under the circumstances. They felt however that government could have chosen any year between 1939 and 1949 for fixing the basic period, as such a basis would have enabled small exporters to come into the trade.

Textile Exhibitions Abroad

It is the policy of the Government of India to organise exhibitions in various countries, particularly those in the dollar area, so as to increase

exports of Indian textiles. In March 1950, an exhibition of some of India's loveliest textiles was opened by the Indian High Commissioner at India House, to which members of the British Government and Ambassadors of many countries came. Mr. Krishna Menon stated that through the Exhibition they wished to make some contribution to the export drive and to Indo-British trade. Mr. Harold Wilson, President of the Board of Trade, said that "he was glad to be able to say that almost without exception the whole of the varied range of Indian textiles on the show might enter the U.K. market without hindrance to compete freely for the approval of the consumer". Reports stated that on an average 300 people daily visited the Exhibition in which the chief manufacturers from Bombay included the Bombay Dyg. & Mfg. Co. Ltd., Tatas Ltd., Swadeshi Mills Co. Ltd., and the Indian Woollen Mills. Certainly, it was the first time that India's textile production has been shown in England on such a large scale. According to one critic, grey cloth was conspicuously absent, although it turned out that even before the exhibition many trade enquiries about this quality had been received. Likewise, other low quality cotton goods like household linen and furnishing fabrics were not properly exhibited. At any rate, if the purpose of the exhibition was to increase exports to Britain, it was lost. It appears that there was too much straining after artistic effects, to the detriment of the functional aspect. Exhibitions should therefore be arranged after careful planning.

Deshmukh Committee on State Trading

It is pertinent here to refer to the report of the State Trading Committee of which Mr. Punjabrao Deshmukh was the Chairman. The report was released in August 1950, and one of the recommendations related to the setting up of a Statutory Corporation to take over all import and export operations of a commercial nature which are at present handled by the Government of India. The proposed corporation would have an authorised capital of Rs. 10 crores and Rs. 2 crores initial capital. Not less than 51 per cent of the capital should be held by the Central Government, the balance being offered to provinces as well as private enterprise. The Committee assigned to the Corporation the following functions among others: Imports of East African cotton, exports of short staple cotton, export trade in the products of cottage industry, etc. In principle, there can be nothing against such a body. In the U.K., for instance, the Raw Cotton Commission is functioning as an independent body working on commercial principles and is not a limb of the State. The question, however, is whether in the present conditions of this country, such a Corporation more or less controlled by government would not tend to a monopoly and to hamper the progress of private enterprise instead of being a healthy curb on economic development of an undesirable character. We feel that private enterprise is already a little scared of the future pattern of our national economy and investment in industries is halting and slow. The creation of quasi-official corporations in the common import and export trades is bound to reduce the already restricted scope for private enterprise. Nor is it by any means certain that such a corporation would prove more efficient than private enterprise in day-to-

day handling of the import and export trade. The fact that a lot of trade, e.g. food, also raw cotton to some extent, is now being directly arranged by government is a reflection of the abnormality of the days we live in, rather than a definite pointer to new policies. The Saurashtra government's action in taking over the trade in groundnuts has given rise to vehement criticism, not all of which is unreasonable. For the present, at any rate, that is a warning. In these crucial days, would it not be better to have a truce to new experiments ?

CHAPTER IV

REVIVAL OF JAPAN'S TEXTILE INDUSTRY

The cotton textile industry is the backbone of the Japanese economy and accounted for 37.7 per cent of that country's exports for 1949. A substantial increase was foreshadowed for 1950 and indeed Japanese shipments of cotton goods exceeded those of the U.K. in the first quarter of 1950. Japanese exports have been stated to be mounting up rapidly and the changes in the destination of Japanese shipments in recent months throw some light on the direction of such expansion. Thus, whereas in 1949 most of the cotton piecegoods were sent by Japan to the U.K. and Indonesia, during the current year, Pakistan and Siam became important customers, while countries like East Africa, Holland and the U.S. received substantial quantities. During the middle of 1950, it was generally expected that the relaxation in the control on spinning activity would lead to further exports.

Japanese Competition

The change in the situation was really surprising since in March 1950, it was generally stated that Japan was suffering from an acute shortage of sterling and had stopped purchases in the sterling area in order to reduce the trade deficit at the end of June 1950. In fact, reports suggested that exchange difficulties had hampered her ability to buy raw material and that together with the shortage of fuel and power, her textile output could not show much expansion, and as such, she would not be a serious competitor. At least, this was the impression prevailing in textile circles in India when Japanese machinery manufacturers arrived in India for canvassing orders. A warning was, however, issued by Air Vice-Marshal C. A. Bouchier at the end of March 1950 that Japan was a potential threat to the British textile industry, though the revival of Japanese competition was not considered to be imminent. The fact was however that manufacturers in India and Lancashire were worried about the delay in the visit of an Anglo-American Textile Mission to Japan to study her industry. The Mission was originally scheduled to go in January 1950 and it was not till May 1950 that the visit materialised. The delay was due to the impression in American circles that no useful purpose would be served

by an unofficial Mission and that such a Mission will not have facilities for collecting requisite information. Considering that the Japanese manufacturers had not divulged facts even to SCAP authorities, the American manufacturers were pressing for official recognition for the Mission.

Anglo-American Textile Mission

In the middle of May, the British and American delegations visited Japan and the keynote of the discussions was echoed by Sir Raymond Streat, Chairman of the British Cotton Board, when he told a meeting of British, American and Japanese textile trade leaders in Osaka that development of Japan's cotton industry " has to be achieved on a basis of international co-operation and in a spirit of live and let live." The Chairman of the Japanese delegation, Bumpel Hori, endorsed the statement and remarked that the meeting had contributed to a far more satisfactory achievement than what they had expected. Sir Raymond Streat denied that the object of the visit was to arrive at an understanding on the division of markets or prices. A report by the conference's export policy sub-committee stated that " sale in foreign markets of cotton goods at unnecessarily low prices seriously diminished the return which such exports could and should make to the national economy of Japan ".

It appears that the British representatives were trying to convince the Japanese manufacturers of the difficulties in the way of pushing exports; and on behalf of Lanchashire Sir Raymond Streat's thesis was that, even in the face of increased consumption, the trend in international trade in cotton goods will be a declining one. The British viewpoint was that the maximum world recovery might not exceed four-fifths of the pre-war peak and Japanese millowners were reported to have been of the same view, unless some favourable factors emerged. As a sequel to the findings of the Anglo-American Textile Mission, preparations were afoot in the U.K. for a full dress conference of the representatives of all cotton manufacturing countries. The object of the conference was to assess the strength of the cotton manufacturers in different countries, the probable world demand for cotton textiles over a period, and the possibilities of arriving at an agreement so as to eliminate competition. Since India has emerged as a potential competitor to the U.K. in textile exports, the participation of India in such a conference was taken to be certain. In spite of British denials, the impression was wide-spread that the subject of dividing cloth markets was discussed by the Anglo-American Mission with Japan.

Unlimited Expansion allowed

Any hopes that the exporters of Britain and the U.S.A. might have had was recently dispelled by the surprising announcement by the SCAP authorities in Japan that all limits were removed from the expansion of the Japanese cotton spinning industry. Those prophets who had held that the four million limit on spindleage imposed in January 1947 was only a temporary measure proved to be right. The

complete removal of the limit did surprise everybody. For a Senate Sub-Committee had recommended it to General MacArthur that the spindleage be raised by 20%. Even that was an arbitrary figure backed by no studies of Japanese requirements but was merely a political move intended to win the favour of the Senators of the cotton growing home States. The Supreme Commander's justification was that an increase in Japan's production and exports of textiles would help to remove the burden of supporting the country from the American tax-payer—an argument which had its own value for some Congressmen. The General had stated that he intended to permit expansion to the limit of the market demand for Japanese textiles. The maximum rate of expansion of the industry is about 500,000 spindles a year. In knowledgeable circles, the view was held that large-scale expansion was out of the question for Japanese spinners because, in raising their spindle capacity from two million in 1946 to 3.5 million in July 1950, they had borrowed heavily from the Banks, and naturally further expansion was not easily to be financed.

The SCAP announcement put expansion "to the limit of market demand". It is interesting to see what this amounts to. Japan has an export goal of 1,000 million yards this year and orders for 740 million yards are already in the books. A simple calculation made by a textile authority, based upon the average production of Japanese spinners, shows that this year's export alone would require about 1.7 million spindles, if not 2 million. Assuming a fifty-fifty division of Japanese output between domestic and foreign markets, these calculations show that a spindleage capacity of four million spindles would be sufficient for the purpose, i.e. about 500,000 more than the installed capacity. Some have even stressed that it would be uneconomic and disastrous to expand the capacity beyond the 4 million limit for spindles. Competition among Japanese exporters for the markets could only result in price cutting of a severe kind. SCAP has made it clear that it would keep a sharp eye on the export situation to see that undue advantage is not taken to embark on dumping. In the matter of controlling the use of foreign exchange and other funds for purchasing raw cotton, SCAP has a controlling voice. The American textile manufacturers were genuinely shocked at the decision of SCAP and indeed according to the spokesman of the American group, the testimony given by the industrialists to the Senate hardly justified such a move. Moreover, this decision, which would have the effect of increasing Japanese competition, comes at a time when textile leaders were making out a case for not reducing duties on foreign textile products. Judged by any consideration, the action of the Senate Committee favouring an unlimited increase in Japanese spindleage was for entirely political motives and it only underlined the opportunism that lies behind every American decision.

Lancashire's Reaction

Lancashire manufacturers received the decision to lift all spindleage restrictions in Japan as nothing short of a snub. U.K. textile interests

had hoped for a voice in shaping Japanese industrial policy, especially after the visit of the Anglo-American Mission. But General MacArthur was not so pre-occupied with the Korean war that he could not take this unilateral decision. As the *Textile Mercury and Argus* put it, Japan's aim " is to build up a new cotton industry on the remnants of the old, better equipped and more competitively efficient than the formidable dumping machine which brought Lancashire to the verge of bankruptcy in the years between the wars. It is all very well to point to the limited capacity of the Japanese machinery industry to cope with the re-equipment needs of Japanese mills. Who can say that American machinists will not be eager to help them out just as American cotton growers have kept them going with raw material ? And who is there at Washington to say to them nay, while General MacArthur rules the roost in Tokyo ?

The writing on the wall has been visible to Lancashire eyes for five years. Japan is on the march. Deprived of the Asiatic outlets which she wrested from Lancashire before the war, it is on the markets of the Commonwealth that she has set her eyes . . . if America, as the occupying power in Japan does not intend to make the loser pay for the war, then the British Government must see to it that General MacArthur does not exact indirect tribute at the expense of the standard of living in this country "

These are strong words, but the British have already begun to feel the acuteness of the Japanese competition in territories like Uganda, Kenya, Zanzibar, Belgian Congo, etc. in all of which Japan enjoys " most-favoured-nation " treatment and no differential duties exist on Japanese goods entering these territories. The fact remained that Japanese penetration in the colonial markets constituted a threat to the continued and steady employment of the textile workers of Lancashire. British manufacturers were demanding that in view of the past experiences of Japanese competition, they could not afford to wait until unemployment had become acute. They therefore pressed for timely action.

Basis of Japan's Economy

It would be interesting to know how Japan's competitive power arises. According to one textile expert, the cotton textile industry in Japan is highly organised, is well developed and has the advantage of many years of experience. The percentage of males employed is small and these are occupied principally with heavy weight carrying, mechanical upkeep, steam generation and the staffing of some machinery in the bleaching, dyeing, and printing operations. Japan possesses a considerable surplus supply of female labour both from urban areas and agricultural districts. The standard of living in Japan is extremely low, particularly amongst the rural people. This factor is responsible for Japanese industry being able to operate under cheap wage conditions and it has been able to employ young females on night shifts. The result of this is not only reflected in low direct workers' wages in the industry, but also in low levels of remuneration for supervisory, technical, as well as administrative staffs. In addition, Japan may be regarded as

self-sufficient in the manufacture and provision of her own textile plant and machinery, electric motors, spares and ancillary supplies, as well as chemicals, dyestuffs, shuttles, bobbins, pirns, leather belting and the multitudinous requirements of the textile industry. All such articles and plant are manufactured with similarly cheap labour and are correspondingly lower in price than similar articles manufactured in the United Kingdom and the United States. All this results in Japanese production costs being appreciably less than European and American costs, based upon an efficient production in those countries and upon equivalent employment of labour, as well as equivalent efficient output figures per machine and process. The difference in cost of production between Japan and the United Kingdom is so wide that it is quite impossible for an efficient producer in this or any other country of European standard, to hope to bridge the gap.

Low Costs

The standard working week in Japan is 48 hours as compared with 45 hours in the U.K. It is possible in a country like U.K. to employ female labour between 6 a.m. to 10 p.m., or in other words, to operate on a two-shift system. While the Japanese textile industry is giving lip-service to the non-employment of females on night shifts, this method of operation has always been followed by Japan. Japan might be able to run the industry on a three-shift basis, staffed mainly by females on all shifts. The wage rates in Japan for female operatives have been in the region of about £3½ per month average, but it is not to be expected that this would be very much improved for any length of time or that the wages in Japan will not be the lowest among the industrialised nations of the world for some decades. There is another factor tending to depress wage rates in Japan; a population of over 80 millions is compressed in a small region and the principle of supply and demand will of course operate only to bring down wage levels. According to one writer, the difference in price between Japan and the U.K. was about 7d. per yard for an ordinary bleached calico. In fact, in the U.K. the recognition is widespread that Japan produces textiles of reasonable quality at prices with which Lancashire cannot compete. Indeed, the Anglo-American Mission which had stated that "Japan must have a prosperous cotton industry as a vital part of her economic structure" actually made a request that Japan should raise her prices in order that the price differential should not be so striking between herself and other countries so as to avoid bad blood. The reaction in Lancashire to this proposal that Japan should raise her prices was anything but favourable since it was pointed out that it would only help Japan to derive increased income in foreign exchange, to obtain a higher profit and the proposal would encourage Japan to expand her industry out of revenue from abroad, while Lancashire would again have the same set of problems as before the war. Faced as the U.K. is with shortage of labour, higher wage rates and scarcity of raw materials, it was felt that Japanese competition would undermine the strength of Lancashire especially if Japan expands at the rate of 750,000 spindles per annum. Hence there was in the U.K. a tirade

against allowing a nation with war guilt to recover beyond a point and thereby help it to strangle British industry.

The Problem of Price Differentials

The differential between Japan and the United Kingdom in the cost of production is not easily bridged. It is pointed out that the Havana Charter would prevent the U.K. from increasing the rates of duty against Japan so as to absorb the price difference. It was therefore urged that the Charter should be suitably modified in regard to Japanese competition. The feeling with which Lancashire interests view the position would be evident from the following extract: "Japanese goods are now pouring into Tanganyika where the British taxpayer is losing millions of pounds in the groundnut scheme established to benefit the territory and the natives. So long as the Congo Basin Treaty exists, it will scarcely be possible for Lancashire, under conditions of freer trade, to send her goods to Tanganyika. The textile trade of those territories is virtually offered on a 'silver platter' to Japan. Action should, therefore, be taken to revise the Congo Basin Treaty without delay."

In order to reduce the price differential, in some circles, it was even suggested that a special duty should be placed on all Japanese shipments which would have the effect of making Japanese textiles available at the receiving country at prices comparable with those from European countries; that the money so collected should be administered by an international body under the United Nations and the funds should become a pool for the adjustment of reparations, etc. from Japan. Such an arrangement, it was claimed, would provide security to the British textile worker, while permitting the Japanese industry to develop on the basis of their competition.

It will be evident from the foregoing how acutely the British interests feel about the re-emergence of Japanese competition. Japan's pre-war exports of cotton textiles were 2,700 sq. yards and her present rate of export is about 1,000 million sq. yards per annum. If her present spindleage of four million is allowed to be increased to 12 million, Japan is sure to compete in South Africa, West Africa, East Africa, Belgian Congo, Malaya, Pakistan and Indonesia with both this country and the U.K. In view of the importance of our export trade and the fact that in the aforesaid markets Indian textiles enjoy a good custom, the reactions of India should be similar to those of the U.K. It is only a question of degree. There is no doubt that Japan can underbid India at any time if she wants. Our costs are high and our efficiency is comparatively at a low ebb. The Indian government should therefore suitably press for control in the expansion to be allowed to the Japanese industry, if only to see that a country with low wage levels and exploiting female labour is not allowed to prosper at the expense of countries like India and the U.K. in which the emphasis is on raising the standard of living and increasing the amenities of the worker. The American policy in Japan has all the elements of patronage and dictatorship and political policy may dictate a course of action which economically would

be indefensible and may affect other countries. It is upto the latter to see that their case does not go by default. The American policy of all-out encouragement to Japan, exemplified in the larger volume of exports of raw cotton and higher spindleage allowed by SCAP affects all of us very greatly.

Weakness of Japanese Industry

A Dutch textile expert who visited Japan confirmed the general view that the real strength of the Japanese cotton industry lies in the abundance of young female labour which for relatively low wages with a great will to work is yielding satisfactory efficiency figures. Dr. W. T. Kroese gave his prescription for reconciling Western commercial interests with the inevitable revival of Japanese competition by saying that there should be an international agreement under which the leading textile exporting countries would define their spheres of influence and effect a division of markets based on quantities, qualities, price brackets or geographical situation. It is significant that he stressed the need for consultations with the cotton industry in India. An interesting argument put forward by him was that, so long as raw materials are supplied by the same source (i.e. U.S.) to Japan, Europe and even India (much of our foreign cotton is imported from America), the scope for price differentials should be narrowed as much as possible. Though each country has its own standard of living, the international prices should differ only to the extent of such differences in local conditions. On this view, the problem of low priced Japanese competition would require either that Japanese standards of living should be raised or if Japan will not do that, an export duty should be compulsorily levied on all her exports and collected into a common fund.

Dr. Kroese has dispelled the illusion that Japan's low cost prices are a consequence of her special machinery or her special technical processes. On the other hand, he found many reasons for warning the Japanese that their plant was not harmonious enough. His survey * which covers the whole gamut of cotton textile production admits that the Japanese are masters in mixing various cottons but at the same time certain departments like yarn preparation for weaving are not modernised. Outside the Big Ten which are considered the show-boys, the technical level of others is even lower.

Special Merits

At a time when our own industry is so much averse to collective action, it is interesting to note Dr. Kroese's view that Japan's strength lies in concentration of production, collectivism in purchasing raw material as well as selling the finished products, in the smart methods of mixing raw cotton, and the mass production of standard articles. Thanks to American supervision and social laws introduced since the war, the

* "The Japanese Cotton Industry" by W. T. Kroese, with a foreword jointly by Sir Raymond Streat (Chairman of the U.K. Cotton Board) and Prof. Dr. A. Wisselink, Director of the Economic Institute of Netherlands Textile Industry.

standard of wages is being raised in Japan and operatives are given a chance to join a trade union! Factory girls live less in dormitories nowadays.

As regards spinning, Dr. Kroese considers the technique conservative but he admits that the uniform layouts of the machines are directed to achieve mass production. The lack of much technical progress in spinning appears to be offset by the success with which different grades and staple length of cotton are mixed. It is this comparatively good yarn turned out through cheap labour from cheap machinery that gives Japanese cloth its attraction for an Asiatic market.

As regards weaving, it appears that loom construction is well standardised, 19 per cent of the installed looms operated by the Big Ten coming only from one or two machinery companies. Similarly, great uniformity obtains as regards standard width of looms (mostly 44"). Dr. Kroese was struck by the contrast between the concentration on automatic weaving, a speciality of Nippon, with the very poor way in which the yarn is prepared in the winding and warping departments. It appears that quick traverse winders are generally used in the winding process. The machinery used in the winding and warping sections were not quite up-to-date. On the other hand, Dr. Kroese found finishing of a very high order, thanks to the work of the Japanese chemical engineers.

By way of emphasizing the low labour costs of production (the average wage level in Japan is reckoned at only 7½ per cent of the American), the report gives comparative figures of P.M.H. in American, Japanese and United Kingdom mills. Expressed in percentages of American P.M.H. values (—100) the result of Dr. Kroese's analysis in spinning is 60 for the U.K., against Japan's 40; in weaving 33 for the U.K. and 22 for Japan. According to him, these relatively low figures are explained by the out-of-date winding and warping equipment in Japan and the enormous turn-over of labour. The report thus throws very useful light on the conditions in the Japanese industry. There is no doubt that both India and Japan have singular advantage of position and labour and they can outbid the West.

Lancashire and Pakistan

Early in 1950, an Industrial Mission from the U.K. led by Lord Burghley and having as its textile representative Mr. A. D. Campbell, a director of the Manchester Chamber of Commerce, visited Pakistan to examine how the mutual interests of both countries can be furthered. It was suggested to the Mission that Pakistan would welcome the establishment of joint ventures with British textile interests for the erection of mills to make certain types of cotton piecegoods which are in demand in Pakistan. Pakistan's industrialisation plans include the erection of cotton mills, which is natural in view of her abundance in raw cotton. Still, the rate at which development can take place will depend upon the availability and the adequacy of power and the training of labour.

According to the report of the Mission, the supply of machinery does not present any problems as the U.K. is able to offer delivery dates comparing favourably with any other country. The Mission considered that the development of spinning is more important than weaving in view of the large supply of yarn necessary for running the handlooms. As regards labour, it appears that training facilities for Pakistanis were offered but not much availed of. The report is very emphatic about the cotton economy of Pakistan and the Mission heard complaints that the Raw Cotton Commission had bought too sparingly from Pakistan during 1949-50. The reasons were the high prices in the first place and secondly, the failure of the Karachi Cotton Association to reach an agreement with the Raw Cotton Commission. There was little appreciation, it seems, in Pakistan that the Commission was an independent body and not a government concern and that it was acting on commercial lines. Later, however, the Raw Cotton Commission and the Pakistan cotton interests came to an understanding and considerable quantities of cotton have been purchased.

Lancashire is interested in better staple cotton, to ensure an alternative source of supply of good quality cotton of reasonable staple. The report however states that there could be a market in Lancashire for such staples only if the grade and character were at least equal to the American or other types used in the U.K. As the Mission has stated "it should be recognised that length of staple is not enough for Lancashire's purpose as staple cottons are used in the main for the high quality goods. Before any clear indications would be given as to the possibility of the introduction of such new types, it would be necessary to have bulk tests for producers in the U.K. which would take a considerable length of time to complete.

"It would clearly be of the utmost help to the Pakistan Central Cotton Committee if there could be an indication from the United Kingdom Raw Cotton Commission of the importance the latter attaches to particular grades of Pakistan cotton with an accompanying assessment of a potential annual off-take by the Commission of such grades, and we recommend that this should be done. We recommend also that the interests concerned should explore the possibility of making long-term arrangements satisfactory to both sides for the production in Pakistan and supply to Lancashire of suitable types of raw cotton."

CHAPTER V

COTTON MILLS' EARNINGS

Sufficient has been said in the previous chapters about the background to the earnings of the cotton mills and to any unbiassed observer, the conclusion will suggest itself that the past year yielded profits only with great difficulty. Though the dividends declared for 1949 have in

some cases been higher, nobody can be too optimistic about the profit-earning capacity of the industry. No wonder therefore that cotton mill shares on the markets have been very sticky and it is only latterly that the general presentiments of war have induced a slightly favourable turn. An analysis of the City's six leading cotton mills representing about 1/6th of the equipment installed in the area reveals trends which are disturbing from the point of view of the future. It suggests that with the mounting costs of production and prices of cloth and yarn remaining virtually unchanged, profits have been squeezed in 1949. Since these factors continue to operate in the current year, a further drop in mills' profit is considered imperative.

The aggregate value of raw cotton and chemicals, etc. consumed by these six mills in 1949 amounts to Rs. 1,156 lakhs showing an increase of 27.3 per cent over the preceding year. On the other hand, sales have improved by only 1.8 per cent. Equally significant is the fact that whereas raw material accounted for a little over 50 per cent of the sale proceeds in 1948, it absorbed as much as 58 per cent in 1949.

The incidence of the raw material on the sales would have been still heavier but for the fact that two leading mills included in this group mainly relied on foreign markets for their sales and were consequently able to realise a better price for their products.

Until 1948, an upward trend was particularly noted in respect of wages and salaries. The expenditure on this item has gone up further by 4.1 per cent in 1949; but there are indications of the curve being flattened. Two mills in the group included for the purpose of analysis have reported a negligible fall in wages and salaries and this trend is expected to be more pronounced in 1950.

As a result of the spectacular rise in the cost of raw material, which suggests that Government's control over Indian cotton prices is ineffective, the gross profit has dropped by 51.5 per cent from Rs. 431 lakhs in 1948 to Rs. 209 lakhs in the following year. The net profit after providing for taxation and managing agents' commission has, however, been less severely affected since it has shrunk by 43.1 per cent from Rs. 218 lakhs in 1948 to Rs. 124 lakhs in 1949.

Though profits have fallen drastically, dividends have been raised by 40.5 per cent following the abolition of the restrictions on dividends, the total amount distributed out of the profits for 1948 and 1949 being Rs. 42.06 lakhs and Rs. 59.06 lakhs respectively. This has, however, been done by reducing drastically the amount to be ploughed back into the industry.

In the assessment of prospects for the current year, it is realised that the export quota fixed by Government has been almost completely exhausted. On the other hand, though cotton prices have touched a peak, no serious set-back is expected. In the circumstances, only those fortunate mills, which use imported cotton, will be better off.

Again, it may be noted that the fall in 1949 was to a large extent borne by Government because there was a reduction of about 9 per cent in taxation of profits. The Finance Minister has recently declared that no further relief is possible. In the absence of this cushion, the industry wonders whether the present dividends can be maintained.

The first two major companies to take advantage of the imminent lapse of the Dividend Limitation Act, the Bombay Dyeing & Manufacturing Co., Ltd., and the Century Spinning & Manufacturing Co., Ltd. announced higher dividends for the year 1949.

The directors of Bombay Dyeing recommended a final dividend of Rs. 27-8 making the total figure for the year Rs. 40 against Rs. 33 in the previous year. The Century Spinning & Manufacturing Co. proposed to pay a final dividend of Rs. 11 making the total dividend for the year Rs. 15 per share. The previous year's dividends included an interim payment of Rs. 8 per share on half the present number of shares and a final dividend of Rs. 3-8 per share on the doubled capital including bonus shares. The amount that is proposed to be distributed for 1949 amounts to Rs. 16.41 lakhs against Rs. 8.2 lakhs in the previous year.

New Great Mills :

The Chairman of the New Great Eastern Spinning & Weaving Co., Ltd., Sir Joseph Kay, stated in reply to a question at the company's recent annual meeting that a sum of Rs. 1,00,000 set aside to the deferred dividend account would be paid as a special dividend after March 31 when dividend limitation expired.

Kohinoor Mills :

The Indian cotton textile industry is faced with the problem of rising costs in the light of selling values remaining more or less unchanged under Government orders. Profits have shrunk heavily during 1949 and though a good portion of the reduction is borne by Government and managing agents, the net burden on the industry is substantial.

Even the Kohinoor Mills Co., Ltd. has not escaped from the resultant penalty. The accounts for 1949 reveal that the cost of raw material has risen by Rs. 63 lakhs, i.e. 29 per cent, and the wage bill by Rs. 11 lakhs, while the sales show a rise of only Rs. 16 lakhs. The net profit, without providing for taxation, amounts to Rs. 47.71 lakhs for 1949 as against Rs. 107.67 lakhs for the preceding year after passing off the saving of Rs. 5 lakhs in agents' commission to additional provision for depreciation. The provision for taxation has been reduced from Rs. 50 lakhs to Rs. 18 lakhs.

After taking into account the provision for taxation, the net profit shows a fall of nearly 50 per cent from Rs. 57.67 lakhs to Rs. 29.71 lakhs. The transfers to general reserve and machinery reserve have been reduced by Rs. 19.40 lakhs to Rs. 10 lakhs and the dividend equalisation account gets Rs. 50 lakhs less. In spite of this, the balance sheet reveals a strong position. The fixed assets of the gross value of Rs. 269 lakhs

stand at Rs. 113 lakhs against the paid-up capital of Rs. 100 lakhs and the other assets, after covering the liabilities, leave a surplus of Rs. 132 lakhs subject to payment of the dividend.

SWADESHI MILLS :

The Swadeshi Mills Co., Ltd. has announced a profit of Rs. 17,44,161 for the year 1949 against Rs. 26,57,286 in the preceding year after maintaining the provision for depreciation at Rs. 200,000 and pruning the tax allocation from Rs. 27,50,000 to Rs. 12,00,000. The directors have transferred Rs. 13,75,000 to the equalisation of dividend fund against Rs. 2,00,000 in the preceding year and raised the dividend from Rs. 12.4 to Rs. 14 per share, to be paid out of the fund.

No provision has been proposed for the reserve fund as against Rs. 50,000 in the previous year, while the allocation for the rehabilitation of buildings and machinery fund and provision for gratuities account have been reduced from Rs. 15,00,000 and Rs. 1,00,000 to Rs. 3,00,000 and Rs. 50,000 respectively.

After describing the circumstances which led to the issue of new ordinary shares last year, following government's refusal to give their consent to the issue of preference stock, the directors state that against the issue of 15,000 new ordinary shares a total of 14,485 shares have been allotted upto the end of the year, leaving 515 shares to be allotted against the presentation of 2,060 fractional certificates. Since then a further 189 shares have been allotted leaving 326 shares to be allotted as at the date of the report.

The cost of raw materials consumed during the year rose by Rs. 16.8 lakhs to Rs. 1.17 crores while the bill for fuel, stores and wages increased by about Rs. 10 lakhs to Rs. 1.18 crores. Sales of cloth, however, suffered a fall from Rs. 2.78 crores to Rs. 2.59 crores.

CENTURY'S PROFIT :

The accounts of the Century Spinning & Manufacturing Co., Ltd. for the year 1949 showed a substantial fall in the profit, the figure subject to provision for depreciation and taxation, being Rs. 43,58,297 against Rs. 1,00,60,321 in 1948.

The directors have set aside Rs. 7,85,000 for depreciation on machinery against Rs. 4 lakhs in the previous year, Rs. 75,000 for depreciation on buildings against Rs. 94,000 and reduced the provision for reserve fund and dividend equalisation fund from Rs. 42,71,570 to Rs. 3,04,799 the latter containing no provision in respect of dividend fund and the provision for taxation has also been pruned from Rs. 46,38 lakhs to Rs. 15,22 lakhs. As a result the amount available for distribution for 1949 is Rs. 14.14 lakhs against Rs. 5.64 lakhs in the previous year.

BRADY GROUP :

The accounts of the New City of Bombay Mfg. Co., Ltd., for the year ended 1949, showed a sharp fall in profits, the figure being Rs. 8,40,000

against Rs. 28,79,898 in the previous year. The dividend has been maintanied at Rs. 11 per share. The decline in profits is attributed to the low level of control prices and the "unprecedented 4½ months' bonus" awarded to the workers by the Industrial Court.

The profit of the New Great Eastern Spg. & Wvg. Co., Ltd. also dropped to Rs. 6,86,119, subject to taxation and depreciation, against Rs. 10,34,343 after providing Rs. 12 lakhs for taxation in the previous year. The dividend has been pruned from Rs. 8-1 to Rs. 6-14 per share. The report points out that the cotton situation is extremely difficult and that in this respect the textile mill industry is passing through what is probably the most critical period in its history.

SIMPLEX MILLS:

The working of the Simplex Mills Co., Ltd. for the year ended March 31, 1950, shows a profit of Rs. 23,06,639 against Rs. 26,90,072 in the previous year. During the year the company completed the erection of three cotton bowls, one warp tying machine and one hydro extractor besides the installation of three transformers and 59 electric motors.

The Directors have appropriated to the reserve fund Rs. 2,97,139 against Rs. 98,420 in the previous year. The provision for the depreciation fund has been raised by Rs. 1 lakh to Rs. 3 lakhs while the taxation reserve has been reduced from Rs. 12,50,000 to Rs. 7,00,000. The Directors have recommended a dividend of Rs. 11 per fully-paid consolidated share free of tax which together with the interim dividend of Rs. 3 paid during the year, makes Rs. 14 per share for the year against Rs. 9-8 the previous year.

TATA MILLS LTD.:

The accounts of the Tata Mills Ltd., for the year ended 1949 show a profit of Rs. 2,12,492 compared to Rs. 10,90,040 in the previous year. The profit has been arrived at after making no provision for taxes against Rs. 15.5 lakhs in the previous year. The dividend has been pruned from Rs. 2-4 per share to Rs. 2. From the disposable balance a sum of Rs. 2,65,000 has been carried to the dividend reserve account and the dividend is proposed to be met from that.

Sales improved from Rs. 2.65 crores to Rs. 2.68 crores, but the substantial fall in the profits is ascribed to the burden of a sum of Rs. 7,54,203 being part of the bonus for 1948 not provided for earlier.

MODERN MILLS LTD.:

An indication as to how far the power shortage in Bombay has affected textile production has been provided by the annual report of the Modern Mills Ltd., for the year ended October 31, 1949.

After attributing the fall in profits of the company in common with those of other units in the country to the narrowing margins between the rates of manufactured products and raw materials, the directors state

that the staggering of the working hours forced upon the industry by the power shortage was also an adverse factor. They add that the earnings of the year would have been appreciably higher had it been possible to bring to use the large block of productive machinery comprising 9,576 spindles and 200 looms and other preparatory machinery costing Rs. 25 lakhs which has been erected but lie idle for want of power. It is stated that the power load for this additional machinery was duly sanctioned by Government but has not yet been connected by the power supply company on the ground of power shortage.

The company's profit for the year amounted to Rs. 9,41,059 against Rs. 19,99,610 in the previous year. The Board has decided to recommend a dividend at the rate of Rs. 5 and a bonus of Rs. 2 per share against Rs. 5 and Rs. 3-6 on 29,581 old shares and half of that on 14,680 new shares. In other words, the proposed amount of dividend for this year is Rs. 3,09,827 as compared to Rs. 3,09,213 in the previous year.

The Asoka Mills Ltd. in 1949 made a profit of Rs. 12,62,093 of which the directors have recommended a dividend of Rs. 8 and a bonus of Rs. 7 per share, free of tax. The directors observe that the margin of profits was reduced by the cumulative effect of a reduction in the ceiling prices of cloth and yarn and the increase in wage, cotton, coal and stores bills.

The Nutan Mills Ltd. has announced a profit of Rs. 6,89,218 for 1949 from which a dividend at the rate of Rs. 15 and a bonus of Rs. 10 per share have been recommended. During the same period, the Ahmedabad New Cotton Mills Co., Ltd. earned a profit of Rs. 2,37,293 from which a dividend and bonus of Rs. 10 each per share have been proposed.

Shri Ambica Mills Ltd. has earned a substantially lower profit for the year ended 1949, the fall being from Rs. 30,95,777 to Rs. 10,36,421. The directors have set aside Rs. 3.23 lakhs for reserve fund, Rs. 1 lakh for dividend equalisation fund and Rs. 50,000 for gratuity fund before maintaining the dividend at the rate of Rs. 12-8 per share. The directors stated that they have purchased from government 17,072 ring spindles with the relative preparatory machinery of Japanese manufacture for the No. 2 mills. This machinery has arrived at the mills and it is expected to commence working in the latter part of 1950.

Bangalore Mills Ltd. The Indian cotton textile industry is worried about falling profits. The high prices ruling for Indian cotton combined with a reduction in selling prices of manufactured goods as part of Government's anti-inflationary measures, have begun to make themselves felt. If these conditions continue, warn the directors of the Bangalore Woollen, Cotton & Silk Mills Co., Ltd., profitable working of the cotton section of the mills will be impossible and a sharp reduction in the total earnings of the company must be expected.

The working of the company during the year ended December 31, 1949, has resulted in a profit of Rs. 11,41,735 compared with Rs. 30,85,354 for the preceding year. As a result, the general reserve, reconstruction

reserve and dividend equalisation funds get nothing from the profits and a dividend of 14½ per cent free of tax has been declared.

The working of the *Cambodia Mills Ltd.* during the year ended 1949 showed a profit of Rs. 3,28,200 against Rs. 19,03,710 in the previous year. The directors have however raised the dividend from 4 to 7½ per cent free of tax.

The *Mafatlal Fine Spg. & Mfg. Co., Ltd.*, Navsari, has announced a profit of Rs. 23,29,208 for the year 1949 against Rs. 42,80,862 in the previous year. The directors propose to reduce the dividend on ordinary shares of Rs. 100 each from Rs. 43-12 to Rs. 35 free of tax.

The directors state that they had placed orders for 21,640 spindles with the preparatory machinery and almost all of them have arrived and full working of the spindles has started. Orders for power plant were also placed and it has been received and is now working.

The capital and reserves after deducting the amount payable in respect of dividends for the year amount to Rs. 2.30 crores which is represented on the other side of the balance sheet by net block amounting to roughly to Rs. 28 lakhs and by the surplus of Rs. 2.02 crores. After deducting preference capital from this surplus, the net surplus of liquid assets available to ordinary shareholders would be Rs. 1.73 crores which works out to Rs. 600 per each ordinary share. This is apart from this block.

The position disclosed by the balance sheet is sufficiently encouraging with the result that the current quotation of the share in the Ahmedabad market at Rs. 650 which is inclusive of the dividend, is, if anything, considered on the lower side. The profit-earning capacity is expected to improve in view of the recent commissioning of additional spindles. There has been some depreciation in the value of the company's investments and there is a contingent liability in respect of the Indian Union taxation, but the results for the year and the return which roughly amounts to 6 per cent are considered satisfactory, especially in view of the working results of other units in the industry.

The textile mills in *Hyderabad* have been no exception to the general trend of lower profits in 1949. Although the *Azam Jahi Mills Ltd.* and the *Osmanshahi Mills Ltd.*, maintained their production levels, the profits suffered a sharp fall primarily on account of increased food allowances to workers, higher rates of coal and stores and the poorer quality of the available cotton.

The accounts of the Azam Jahi Mills Ltd. in the year ended September 30, 1949, showed a profit of O.S. Rs. 9,57,233 against Rs. 40,59,395 the year before. A dividend and bonus at the rate of Rs. 10 and Rs. 5 respectively have been recommended. As regards extension, the directors state that the whole of the spinning and almost all weaving machinery has arrived and that the rest is expected shortly. The directors have also transferred Rs. 36 lakhs from the Reconstruction and

Expansion Reserve to the new share capital reserve to enable the company to issue bonus shares. During the same period, the Osmanshahi Mills Ltd. earned a gross profit of I.G. Rs. 11,75,750 against Rs. 30,50,465 in the previous year, the dividend being Rs. 10 and the bonus Rs. 4 per share. The directors have decided to transfer Rs. 37,50,000 from the Reconstruction and Expansion Reserve Fund to a share capital reserve and to issue bonus shares.

To the common problem of rising costs of production and rigid price control of cotton manufactures confronting the cotton mills in the country has been added one more difficulty in the case of the *Gokak Mills Ltd*. The Chairman, Mr. R. W. Bullock, told the shareholders that the introduction of a cash dearness allowance in place of the system of supplying the primary necessities at pre-war rates had raised the wage bill and the "current position is still more difficult". In regard to yarn prices, he pointed out that the basis computed by the Tariff Board a year ago had little relation to reality and the position was further aggravated by the embargo on export of yarn upto 22 counts. The balance between assets and liabilities shows an excess of liquid assets of Rs. 61,41,254 at the end of 1949 as against Rs. 61,24,281 at the end of the preceding year.

The *Vishnu Cotton Mills Ltd.* has announced a profit of Rs. 7,32,334 for the year 1949 against Rs. 22,43,834 in the previous year. After providing for depreciation and taxation, the directors have recommended a final dividend at the rate of Rs. 6 per share, making Rs. 10 for the year free of tax.

The amount of Rs. 1,50,000 transferred to the depreciation, renewal and extension fund, the directors state, covers the estimated amount of initial depreciation which does not affect the written-down value of the block.

The accounts of the *Indian Bleaching, Dyeing & Printing Works Ltd.* for the year 1949 show a profit of Rs. 3,21,109 against Rs. 7,45,762 in 1948. After providing Rs. 1 lakh for depreciation and Rs. 1,30,000 for taxation, the directors have recommended a dividend at the rate of Rs. 8 per share, free of tax, against Rs. 6 in the previous year.

The directors state that the working of the factory suffered considerably during the first half of the year as it was difficult to get enough grey goods for processing due to the control of cotton textiles and that during the latter part, the factory worked day and night shift with adequate processing work.

CHAPTER VI

WORLD TRADE IN COTTON TEXTILES

The International Cotton Advisory Committee has recently essayed a very interesting survey of the trends of the world trade in cotton textiles. Each of the two world wars has wrought considerable changes in the pattern of world trade in cotton textiles, particularly as regards the direction and the distribution of the trade. It is an interesting fact that the long-term trend of world trade in cotton textiles has been steadily downward during the past four decades, whereas the long-term movement in world mill consumption of cotton has been steadily upward. The tendency towards national self-sufficiency in textiles has been very pronounced and those countries which do not have any cotton supply have taken to the synthetic fibre industry with great keenness. While cotton textiles have by no means diminished in importance, there is no doubt that the synthetic fibre and the filament industries are growing very rapidly in such of those countries as are in a position to utilise modern plant and machinery. The cases of the United States, Britain, some European countries and Japan readily spring to the mind in this connection. These countries have been relying on what we may call the two limbs of world textile trade. Broadly speaking, more and more countries are figuring in the export trade; thus, Indian exports and Japanese exports are rapidly gaining ground in low purchasing power markets, while other countries like those in Latin America are either importing much less than before or have become net exporters of cotton textiles. The next few years are sure to witness many striking changes in the distribution of cotton textiles. A substantial but declining part of the cotton consumed in the world is used in the manufacture of cotton textiles for export, an enterprise of vital importance to many of the leading as well as to several of the smaller cotton consuming countries. The long-term trend of world trade in cotton textiles has been steadily downward during the past four decades; on the other hand, the long-term movement in world mill consumption of cotton was steadily upward at least until the beginning of World War II.

Although not yet quite as high as pre-war, world mill consumption of cotton during the 1949-50 season was some 35 per cent higher than the average for the period 1909-13, showing about the same percentage increase as for world population during the same years. In contrast, world exports of cotton, now gradually recovering after a substantial decline because of World War II, were 49 per cent less in 1949 than the average for 1909-13. With these opposite trends the percentage of the world's raw cotton consumption going into cotton textile exports is estimated to have declined from 23 per cent in 1909-13 to 9 per cent in 1949.

The same drastic decline in the importance of cotton textile exports is also shown by statistics giving yardage of cotton textiles produced and exported :—

Year	World mill consumption of cotton*		World exports of cotton textiles (raw cotton equiv.)†		Per cent of raw cotton consumption exported as textiles‡
	1,000 bales	Index	1,000 bales	Index	Per cent
1909–13 average ...	20,310	100	4,750	100	23
1924–28 average ...	24,760	122	4,330	91	17
1934–38 average ...	27,945	138	3,265	69	12
1948 ...	26,700	131	2,025	43	8
1949§ ...	27,500	135	2,400	51	9

* For crop years ending July 31st.
† Assuming an average of 2,000 square yards of cloth are produced from 1 bale of cotton.
‡ This article has been prepared by Dr. H. J. Kuhlmeyer of the Secretariat in accordance with a provision of Resolution IX of the Eighth Plenary Meeting of the International Cotton Advisory Committee.
§ Estimated partially.
Sources: U.S. Department of Agriculture; Trends in World Production and Trade in Cotton Textiles (U.S. Department of Commerce, 1945); Publications of Cotton Board, Manchester; ICAC records.

World Production and World Exports of Cotton Textiles

Year	Production		Exports		Exports as per cent of production
	Million sq. yards	Index	Million sq. yards	Index	Per cent
1909–13 average ...	27,000	100	9,500	100	35
1926–28 average ...	31,000	115	8,550	90	28
1936–38 average ...	35,500	131	6,450	68	18
1948 ...	34,000	126	4,050	43	12
1949* ...	33,900	126	4,800	51	14

* Estimated partially.
Source: Cotton Board, Manchester.

Pre-war Pattern of World Export Trade in Cotton Textiles

The story of pre-war export trade in cotton textiles is generally well known. The majority of these exports came from a relatively small number of nations. Ten countries—United Kingdom, Japan, United States, France, Germany, Italy, Belgium, Netherlands, India and U.S.S.R. —supplied about 95 per cent of the total yardage exported during the middle thirties. The United Kingdom and Japan together accounted for about two-thirds of the entire trade; each of them exporting about half or more of their total cloth production. Western European countries such as France, Italy, Belgium and Netherlands exported from about 25 per cent to 40 per cent of their cloth production. Germany exported about 10 per cent of its cloth production; U.S.S.R. about 6 per cent; India, 5 per cent; and the United States, 3 per cent.

Average Annual Production and Exports of Cotton Textiles, Selected Countries, 1936-38

Country	Production		Exports		Exports as per cent of production
	Million sq. yards	Per cent of total	Million sq. yards	Per cent of total	Per cent
United Kingdom	3,500	9.9	1,719	26.7	49.1
France	1,400	3.9	374	5.8	26.7
Germany	2,000	5.6	193	3.0	9.7
Italy	850	2.4	365	5.7	42.9
Belgium	550	1.5	142	2.2	25.8
Netherlands	500	1.4	186	2.9	37.2
India/Pakistan	3,965	11.2	203	3.1	5.1
Japan (including Korea) ...	4,400	12.4	2,511	38.9	57.1
United States	8,530	24.0	252	3.9	3.0
U.S.S.R.	3,600	10.1	200	3.1	5.6
Others	6,235	17.6	305	4.7	4.9
Total ...	35,530	100.0	6,450	100.0	18.2

Source: Cotton Board, Manchester.

Substantial Share

Cotton cloth exports always accounted for a substantial share of total export trade of goods of all kinds. In fact, it was among the largest single export items for the United Kingdom, Japan and Continental Western Europe. Most of these exports went to politically or economically related markets overseas where cotton textiles served as indispensable inducement goods for stimulating the production of essential foodstuffs and raw materials and as media of exchange for obtaining them.

Besides the beginning or continuing of textile industrialisation in a number of countries in Latin America, Asia and Africa, the dominant feature of the inter-war period undoubtedly was the rapid rise of Japanese textile potential and exports, securing Japan a position in almost every market, particularly in countries of low purchasing power. After 1932 Japan replaced the United Kingdom as the largest quantitative exporter of cotton cloth, accounting for about 40 per cent of the total trade. Many of the trade barriers erected during the depressed thirties were primarily directed against further Japanese advances.

Pre-War Pattern of World Import Trade of Cotton Textiles

Although subject to steady and substantial contraction due to the development of cotton textile industries in India and China, Asiatic markets remained the largest outlet for internationally traded cotton goods in the years just preceding World War II. All of the Asiatic markets together accounted for almost 50 per cent of the declining world import total.

Africa's quantitative imports showed greater stability during the inter-war period. During the middle thirties that continent imported about 20 per cent of the world total. Imports into Western Hemisphere markets, mainly Latin America, fell off with rising industrialisation; although they still accounted for about 16 per cent of the world total in the thirties. The vital disappearance of the Brazilian market is worthy of notice. The remaining import markets in Europe, mainly in Scandinavia, Eastern Europe, and Oceania, together took about 14 per cent of world imports. The pre-war distribution of world imports by continents is given in the following table:—

AVERAGE ANNUAL IMPORTS OF COTTON TEXTILES BY CONTINENTS 1934-38 *

Region	Average imports 1934–38		1934–38 imports as per cent of 1925–28 imports
	Quantity	Per cent of total	
	Million sq. yards	Per cent	Per cent
Asia ...	2,965	48.1	64.2
Africa ...	1,276	20.7	104.5
United States and Canada ...	1,169	2.7	88.0
Other W. Hemisphere ...	870	14.1	81.0
Europe ...	618	10.0	58.7
Oceania ...	269	4.4	118.0
Total ...	6,167	100.0	73.5

* Including intra-continental receipts of importing countries.
Source: Trends in World Production and Trade in Cotton Textiles (R. Skliar, U.S. Department of Commerce, 1945).

Impact of World War II on World Trade in Cotton Textiles

World War II and the post-war period brought changes in world trade in cotton textiles which can be broadly classified as follows:—

(1) The resulting re-groupings of territories and the subsequent strengthening or loosening of ties between countries. These are affecting both the total volume and distribution of world trade; especially as the bulk of cotton textile exports are customarily destined for economically or politically related markets. This factor, assuming no further spread of hostilities, will be of long-term importance. For instance, since the separation of India into the Indian Union and Pakistan, the first has become a net exporter of cotton textiles while the second has become a net importing nation.

(2) The purchasing power of consumers in most countries, expressed in terms of real goods and services, is, generally speaking, less than pre-war. This fact may be concealed by the existence of high money incomes in certain areas as a result of inflationary pressures. There are, of course, some countries where real purchasing power is now higher than pre-war. In this connection, it may be mentioned that world mill consumption of cotton at present is estimated to be approximately 4-1/3rd to 5 million

bales less than it would be if the average *per capita* consumption of cotton were as high as pre-war. At the same time, world trade in cotton textiles has had to cope with more currency and import controls than pre-war, imposed because of currency shortages and the need to conserve foreign exchange for what are considered the most essential needs.

With post-war economic conditions improving and the effective demand in at least some of the areas not producing all of their own textiles increasing, world trade in textiles should tend to increase, unless offset by a more rapid expansion of domestic cotton textile industries in these areas.

Both the volume and destination of world trade in cotton textiles were profoundly influenced by the disruption of national economies and the physical damage to the textile industries arising from the war in some of the leading cotton textile exporting countries. This factor also may be mainly of short-term importance. Textile production is now recovering in these countries and there is a tendency to return to something like the pre-war pattern of export trade. This must be considered, however, in relation to the political re-groupings of countries, and the continued expansion of the cotton textile industry in textile importing countries, both of which imply structural changes in the world trade pattern. The last mentioned factor is reviewed separately below.

World Trade in Cotton Textiles still less than Pre-War

World trade in cotton textiles is still considerably less than pre-war, but has shown a gradual recovery during each of the last three years. It is estimated that in 1949 the total volume was some 26 per cent less than pre-war. Present date indicate that the rising trend may be continued during 1950.

TOTAL VOLUME OF POST-WAR WORLD TRADE IN COTTON TEXTILES

Year	Million square yards	Index
1936-38 (average) ...	6,450	100
1947 ...	3,800	59
1948 ...	4,050	63
1949* ...	4,800	74

* Estimated partially.
Source: Cotton Board (Manchester).

Post-war Pattern of Cotton Textile Trade much Different from Pre-war

The factors already discussed, of course, find their reflection in the changes that have taken place since the war in the pattern of world exports from leading exporting nations, as shown in comparison to the pre-war situation in the following table:

World Exports of Cotton Textiles

Million square yards.

Exporting countries	Annual average		1947	1948	1949	Estimated 1950
	1924–28	1936–38				
Japan	1,269	2,563	388	499	744	1,000‡
United Kingdom	4,150	1,833	532	761	904	800
India	256	205	236†	308	466	800
United States	529	234	1,492	940	898	500
Subtotal	6,204	4,685	2,648	2,508	3,012	3,100
France	539	364	328	230	390	
Italy	537	312	108	151	234	
Germany	181	149	20	199	190	
Netherlands	264	150	72	121	150	
Belgium	210	159	128	112	118	
Spain	*	*	116	138	81	
Switzerland	*	*	16	18	36	
Poland	*	*	60	120	*	
Czechoslovakia	367	69	32	106	*	
U.S.S.R.	38	201	*	*	*	
Brazil	*	*	164	55	40	
China	*	*	92	260	*	
Others	320	292	16‡	32§	549§	
World Total	8,600	6,531	3,800	4,050	4,800	

* Included in others.
† Only sea trade.
‡ Some estimates run as high as 1,200 million square yards.
Source: Trends in World Production and Trade in Cotton Textiles (R. Skliar, U.S. Department of Commerce, 1945); Publications of Cotton Board, Manchester.
§ Estimated.

Distribution of Exports

The post-war distribution of exports is still quite different from pre-war, although there is a gradual trend towards it. Countries such as the United States and Brazil, which were in a position to supply goods for immediate post-war needs (relief, rehabilitation) at first held a much larger share than pre-war. In 1947 the United States supplied about 40 per cent of the world trade total. Since then as in the case of Brazil, the share of the United States has been declining in the face of a world-wide dollar shortage, the recovery of former leading exporters and also partly because of the impact of the devaluation of many currencies *vis-a-vis* the dollar in September 1949. Nevertheless the present export volume of the United States is estimated to be still at least twice as high as pre-war.

Recovery of textile production was somewhat more rapid in Western Europe and in the U.K., but in 1949, the latter by exporting about 52 per cent of its pre-war volume took the first place as an exporter of cloth. Meanwhile Japanese exports have been recovering very fast especially after the removal of price floors. With the advantage of low labour costs, and aided by the United States both in the matter of cotton and

machinery, Japan is forging ahead to becoming the world's largest exporter. The question is dealt with at some length in an earlier chapter on the revival of the Japanese textile industry, in view of the importance to the Indian exporter.

Decline in Quantum of International Trade

The long-term decline in international textile trade is a corollary of the expansion of cotton manufacturing capacity in many countries since 1940 which formerly were importing cotton textiles. In Asia alone, spindleage rose from 9 million in 1913 to about 26 million in 1938, the bulk of the increase occurring in Japan, India and China. Likewise, the number of spindles in South America increased from 1.5 million to 3 million, most in Brazil. Side by side with this expansion in spindles, there has also been a tendency to work more shifts. Thus, with capacity being increased, production in a number of countries exceeded the demand in the home market, with the result that the international competition for the declining number of world import markets has been keener. The competition was heightened by the decline in demand brought about by the Great Depression. It must also be stated that a stimulus to expansion in new areas was derived from the war-time conditions in which a number of importing countries were cut off from their previous sources of supply. On the other side, there has also been a considerable destruction of textile manufacturing capacity during the last war, amounting to a decline of about 20 per cent from the pre-war spindleage. Japan, Russia and Germany experienced this loss of spindles. In the past few years, however, plans to repair and restore manufacturing capacity have been implemented very fast. At the same time, the cotton textile industry has been developing rapidly in countries of Latin America, Africa, the Near East and Far East. The increase in spindleage since 1945 is shown by the table on the next page.

Effects of Decentralised Production

Although the *per capita* consumption of cotton textiles in many countries has not reached its limit and world trade in textiles might as a result witness an upturn, there seems no doubt that the continued expansion and widespread location of this industry will ultimately depress the quantum of world trade. It must be noted that the same depressing influence may not be felt on raw cotton consumption. Just before the last war, cotton consumption was expanding, but cotton consumption in the newly industrialised countries increased, whereas in the older textile areas, it declined. The present evidence points to the conclusion that additions to textile manufacturing capital in the new areas will reduce the export trade in textiles. This would mean that the home market will be the mainstay of the industry. Perhaps the traditional exporting countries like Japan, Lancashire and even India may continue to make substantial contribution to the quantum of world exports. Nevertheless, dependence on the home market may help to

INCREASE IN SPINDLES IN SELECTED COUNTRIES THAT HAVE BEEN IMPORTERS OF COTTON TEXTILES

Country	Number of spindles: Pre-war (generally 1938)	Number of spindles: Post-war (mostly 1950)	Increase: Number	Increase: Per cent
	1,000 spindles	1,000 spindles	1,000 spindles	Per cent
WESTERN HEMISPHERE:				
Argentine	329	550	221	67
Bolivia	6	20	14	233
Brazil	2,725	3,284	559	21
Chile	33	205	172	521
Colombia	105	307	202	192
Cuba	14	79	65	464
Ecuador	42	68	26	62
Guatemala	16	34	18	113
Mexico	869	986	117	13
Peru	129	160	31	24
Salvador	18	47	29	161
Uruguay	8	46	32	400
Venezuela	49	60	11	22
EUROPE:				
Bulgaria	135	178	43	32
Greece	262	310	48	18
Norway	43	71	28	65
Portugal	447	700	253	...
Rumania	216	230	14	6
AFRICA & NEAR EAST:				
Belgian Congo	10	49	39	390
Egypt	250	500	...	100
Iran	123	200	77	63
Turkey	164	260	96	59
South Africa	5	92	87	147
ASIA AND OCEANIA:				
Australia	91	223	132	145
Pakistan	...	285	285	...
Philippines	7	20	13	196
Total ..	6,129	9,081	2,946	48

Sources: International Federation of Master Cotton Spinners, ICAC Records.

introduce lower costs of production, which in its turn will help the export trade.

The logical end of this process of development evidently seems to be that, given the availability of cotton or its equivalent in foreign exchange, the majority of countries in the world will ultimately produce sufficient cotton textiles to satisfy the needs of their own protected home markets. Under these circumstances, the consequent low volume of international trade will depend mainly upon the import demand for specialities on the one hand and upon special trading provisions between countries on the other. It follows from the above development that, generally speaking, any new expansion of capacity, in a given country, beyond the prospective limits of its own domestic buying power, may in the future be confronted with less total export demand than originally

anticipated, a situation which might give rise to serious complications nationally and internationally. As the expansion of capacity occurs in raw cotton producing areas, the availability of cotton for export has been growing less (e.g. Argentine and Brazil) unless the simultaneous expansion in the growing of raw cotton also occurs. This, however, is not generally the case.

CHAPTER VII

LABOUR PROBLEMS

Questions relating to textile labour came in for special attention during the year under review and quite a considerable volume of legislation has been on the anvil or has already been enacted by the Central Government and the States Governments. There were no major strikes during the year under review, except of course the Bombay strike of August 1950 which lasted so long ; and industrial relations in the textile industry till August last were satisfactory. It looks as if every year the bonus issue must give rise to interference with production. In 1949, it was the payment of the 4½ months' wages as bonus decreed by the Bombay Industrial Court which gave rise to such a pother owing to the government's desire to give a part of it in the form of saving certificates. What was a genuine intention on the part of government turned out to have quite the opposite effect on the workers. Workers lost their wages, and the employers as well as the country lost production, as a result of a lack of psychological understanding on the part of government. In the year under review, another Award of the Industrial Court became the subject-matter of controversy once again, and led to considerable recriminations between employers and workers. The prolonged strike, the verdict of the Appellate Tribunal and the anti-climax of the workers quietly returning to their work after having caused immense less to employers, themselves and the country, all show that something is still wrong with men and things, for which the country is paying dearly. If there is one moral which is evident from the episodes of the last two years, it is that any award given by the Industrial Court should be binding upon the parties concerned, and even if there is room for disagreement about the mode of its implementation, the process of finding a solution thereto should involve no stoppage of production. We cannot too strongly emphasize this aspect of the question, and we trust that the parties concerned will bear that in mind.

Industrial Court Award

In the middle of March 1950, the Industrial Court issued an interim order postponing a decision on the issue of bonus to textile workers in Bombay till the end of June. This step was taken to enable the Court and the parties concerned to have a more rational view of the profits of

the industry as a whole for year 1949-50, especially after the Bombay Millowners' Association had represented to the Court that 15 of its major member-mills had not yet completed their financial year. The workers and their union were all agog about the bonus when some textile mills in anticipation of the expiry of the Dividend Limitation Act had paid additional dividends. But such dvidends were in almost all cases recommended out of the dividend reserves and therefore did not represent improvement in the earnings of the industry over the previous year, which is how labour circles interpreted the matter. The workers' demands for a bonus and a share in the profits came up for hearing before the Court in the third week of June.

More than 1,000 textile workers invaded the compound of the Court shouting various slogans. The Rashtriya Mill Mazdoor Sangh on behalf of its 2,40,000 workers had given notice to the Bombay Millowners' Association demanding bonus and 50 per cent of the total profits made by the 65 member-mills. The Millowners argued in the preliminary hearing on March 16, 1950, that they had paid 4½ months' bonus to the workers in 1948 and that it would be difficult for them to pay bonus for 1949 ; they would, therefore, not suggest any bonus for the year. The judges thereupon issued a ruling that the question of bonus would be decided by the Court every year, that the workers' demands regarding bonus for a particular year would be notified in such a manner as to enable the Association to file their statements before the Court not later than June 20 of the following year and that the Court would dispose of the issue between June 26th and 30th.

At the outset of the hearing, a statement was filed by the management of the Moon Mills that they should be kept out of the proceedings as their mill had remained practically closed throughout 1949 following the huge fire that had gutted the mill. Hirji, Colaba and Raghuvansi Mills also pleaded that they had suffered losses during the year and should therefore be kept out of the proceedings.

On behalf of the workers, Mr. Shantilal Shah said that the gross profits made by all the mills during the year 1949 were Rs. 996 lakhs, excluding the commission of Rs. 112 lakhs paid to managing agents. He said that while the number of workers employed in the industry had gone up by about 4,000, the basic wage had gone down. Quoting from the Divetia Committee, he said that the standard living wage should be Rs. 55 per month and the fair wage according to the Fair Wages Committee was Rs. 37-8-10. The workers were paid only Rs. 30 now, he said. According to labour laws, bonus became an industrial claim and the companies made huge profits and living wage standard was not reached by workers. Furthermore, he said that the mills had made a profit of about Rs. 744 lakhs in 1947 when they had given 3 months' bonus and therefore they should give more for the year. The question whether a share in the profits made by the mills be allotted to the workers unit-wise or industry-wise and whether the amount of bonus paid to them should be considered as profit-sharing or otherwise was also discussed at

length before the Court. According to the advocate for the workers, share in profits should not be calculated unit-wise as in that case the spirit of collective bargaining would be lost. He suggested therefore that the profits should be allotted industry-wise. Mr. R. G. Kolah on behalf of the Bombay Millowners' Association contended that the primary object of bonus was not wage compensation but profit-sharing. Profit-sharing was accepted fundamentally as being subject to the existence of profits in every industrial unit, and therefore if no profits were made, there is no question of their sharing by workers. He also argued that it was unreasonable to claim a share in the profits on the basis of profits made by the industry. It would be too long and tedious to go fully into the arguments advanced by the respective parties and we shall therefore content ourselves with noticing the award of the Court.

The Terms of the Award

According to the Award, workers of sixty mills in Bombay should receive bonus equal to two months' basic wages in 1949. The Hirji Mills, the Moon Mills, the Colaba Land & Mill Co. Ltd., and the Raghuvanshi Mills were exempted from the award because of the losses suffered by them. The bonus was payable in two instalments, by August 14 and September 14, 1950. Those who had worked less than 75 days but over 32 days were entitled to one month's bonus, while no bonus was payable to those who had worked less than 32 days.

Out of the gross profit of Rs. 996 lakhs in 1949, the Award entailed an expenditure of Rs. 216 lakhs. The Court took the view that the gross profit of Rs. 996 lakhs made by the mills in 1949 did " admit of a reasonable provision " for bonus equal to two months' basic earnings of the employees including clerical and other staff, after making necessary provision for depreciation, taxation and reserves, as also a provision for dividend at 6 per cent on the paid-up capital. The workers' reactions were that the Award was inadequate and that it had not taken into account the sound financial position of the industry. It was not to be expected that the Award would satisfy the Socialists, Communists and Workers' Party leaders who wanted nothing short of six months' wages. A new feature of the 1950 Award is the exemption of mills, which had made no profits, from the operation of the Award. Those who criticised this exemption pointed to the fact that other mills had made excess profits over the average, but they forgot that the Bombay Millowners' Association is not a cartel in which profits are pooled. Another important factor is that the Award did not stipulate any part of the payment of the bonus in the form of Saving Certificates, presumably in view of the unfortunate experience in 1949. And yet we doubt whether government could not have exerted themselves more to bring home to the workers the value of savings.

Basic Principles of the Award

One or two points in the Award may be specially noted. As one writer pointed out, not only did the Court depart from the principles laid

down by itself in the 1949 Award, but it also postulated some new and radical principles regarding the distribution of dividends. In 1949, the Court allowed for a return of 6 per cent on paid-up capital and 4 per cent on reserves; in 1950, the Court considered that shareholders should be content with the return of 6 per cent on paid-up capital alone. This is hardly conducive to the growth of industry and so long as government have not decided upon nationalisation, it is only fair that an adequate return should be provided to shareholders if capital formation is not to be choked off. If shareholders are to be tied down to a maximum of 6 per cent on paid-up capital, what is the point in making allocation to reserves and in following the policy of progressive expansion of existing concerns without inflating the paid-up capital? Economists have said that the last Depression was hastened by over-capitalisation of industries. The Court's Award is a direct encouragement to over-capitalisation. In any case, it was clear that in the tussle between the mills and the workers, the interests of the shareholders were not given sufficient attention and prominence.

According to Mr. Ashok Mehta, the Socialist leader, "the average monthly earnings of a textile worker are about Rs. 110. The maximum bonus he stands to earn will be Rs. 88; that means, only 12 per cent of the difference between what the worker actually earns in the course of the year and what he needs to achieve a living standard is made up by the bonus. Even then it must be realised that very few workers are able to get work all the year round and the annual income of the majority of workers falls short of the target figures given above." The exemption of mills from the Award allayed the fears of many mills in Ahmedabad (fifteen) who were stated to be making losses.

The Award and After

The six weeks following the Industrial Court's Award were full of manoeuvrings by all parties to get the Award revised in whatever way was possible. The labour leaders of Bombay threatened to launch a strike to show the textile workers' supposed grievances in regard to the bonus. Meanwhile, the mills did not exactly pour oil on troubled waters by their statement to the Government of Bombay early in August that they were seeking revision of the Industrial Court's Bonus Award through legal proceedings by appealing to the proposed Appellate Tribunal which was yet to be constituted. The Bombay Millowners' Association therefore informed the government that they would be unable to pay the first instalment of bonus due on August 14, amounting to Rs. 216 lakhs. The Bombay Government had asked the Association to pay the first instalment on the due date if the stay application pending before the Court was not granted. Mr. Morarji Desai, Bombay's Home Minister, stated that it would be illegal if millowners refused to implement the Award within the prescribed time-limit, if the High Court did not grant a stay order. The Socialist labour leaders made this the cause of a strike and decided to go on a general strike from August 14. Altogether it was clear that matters were heading towards a crisis and

the labour unions were vigorously canvassing for a prolonged strike. The government warned everybody that the strike would be illegal and that they would take the most serious view of the strike which was not only a violation of law and purposeless wastefulness but was also an anti-social act in the context of the cloth shortage. In any case, the government would maintain law and order.

Before the Labour Appellate Tribunal, a compromise proposal was brought forward by the Millowners' Association of Bombay, according to which employees of all cotton mills in Bombay and Kurla will be paid a sum equivalent to the first instalment of their bonus on August 14. The Rashtriya Mill Mazdoor Sangh agreed to this proposal. But the Mill Mazdoor Sabha, the Socialist-led union, described the agreement as a shameless deal. According to the terms of the compromise, "a sum equivalent to 1/12th of the earnings during the year 1949 shall be paid on August 14... The said advance shall be adjusted towards bonus, if any awarded by the Labour Appellate Tribunal. The excess payment if any shall be recovered from employees in three equal instalments commencing from the 1st pay day following the Tribunal's decision...." It was obvious that this arrangement was not satisfactory to the majority of the unions who had decided to launch the strike. And so began the huge labour strike, ironically enough on Independence Day, plunging the country into great distress. The appeal of the mills to the Tribunal was to come up for hearing on September 6, 1950. From August 14 onwards, not a day passed without the workers attempting to disobey the orders of the Police for preventing a breach of the peace.

The Appellate Tribunal's Award

The judgment of the Appellate Tribunal was given on October 9, 1950, quite some weeks after the conclusion of the hearings, which themselves went on for many days from September 6. It is perhaps not necessary to go into the details of the arguments pressed by both parties to the dispute before the Tribunal. In their unanimous judgment, the Tribunal declared that there were no grounds for disturbing the decision of the Industrial Court on the question of bonus. The four mills were exempted from the payment of bonus. But in computing the gross profits of the industry, the following adjustments were made in the various allocations: Gross profits of the industry in 1949—Rs. 9.96 crores; depreciation—Rs. 1.88 crores; taxes—Rs. 2.40 crores; reserves for rehabilitation, etc.—Rs. 1.31 crores; return of six per cent on paid-up capital—Rs. 1.30 crores; return on reserve employed as working capital—Rs. 0.46 crores; bonus to clerks and other staff—Rs. 0.30 crores; and bonus to employees —Rs. 1.86 crores; balance Rs. 0.45 crores.

The Tribunal held that bonus to workers could no longer be regarded as *ex gratia* payment because it had been recognised that a claim for bonus, if resisted, gave rise to an industrial dispute. Since capital and labour contributed to the earnings of an industrial concern, it was but fair that labour should derive some benefit if there was a surplus after

meeting prior and necessary charges. A passage from a judgment of Lord Birkenhead was quoted: "It (bonus) differs from wages in that it does not rest on contract, but still payments for bonus are made, because legally due, but which the parties do not contemplate to continue indefinitely ... where the industry has not that capacity, or its capacity varies or is expected to vary from year to year, so that the industry cannot afford to pay living wages, bonus must be looked upon as a temporary satisfaction, wholly or in part, of the needs of the employee." The judgment traced the history of previous year's decisions and referred to the contention of the Millowners' Association with regard to the 1949 Award that, on the basis of the principles laid down in the previous Award, there was no fund available from which bonus could be paid. The Association also complained that no return had been allowed to them on reserves which had been utilised as working capital, whereas in the 1948 Award, the Industrial Court awarded 4 per cent as such return.

The gross profits of the industry, the Tribunal said, were arrived at after payment of wages and dearness allowance to employees and other items of expenditure. It was essential that plant and machinery should be kept continuously in good order for the purpose of ensuring a fair return and it was also to the advantage of labour itself. The first charge on gross profits should, therefore, be the amount of money that would be necessary for rehabilitation, replacement and modernisation of machinery. As depreciation allowed by the income-tax authorities was only a percentage of the written-down value, an extra amount would have to be set apart annually under the heading "reserves" to make up any deficit. To that extent, there should be no dispute nor could it be denied that the paid-up capital was entitled to a fair return. It was common ground that a fair return on paid-up capital in this case should be six per cent.

Both the parties to the dispute accepted Rs. 9.96 crores to be the gross profits and Rs. 1.88 crores as the proper depreciation. The Tribunal did not accept the workers' contention that the cost of rehabilitation would be much less than Rs. 72 crores or that a larger amount than Rs. 30.46 crores was available at the end of 1947. The Tribunal, however, upheld the workers' contention that the period required for replacement of machinery should be extended from 12 to 15 years, and according to this view of the matter, the amount to be set aside annually for rehabilitation would be approximately Rs. 3.19 crores. The Tribunal also allowed Rs. 0.46 crores as a fair return on Rs. 23 crores of reserve that had been employed as working capital. This sum, however, could not go towards dividend payable to shareholders. It represented a return on the reserve which, in law, belonged to the company, and as such, it was for the company to determine how this sum was to be applied. The question whether the employees were entitled to any share in the surplus left after making prior deductions was not an easy one. Essentially, the quantum of bonus must depend upon the relative prosperity of the concern during the year under review, and that prosperity, probably, was best reflected in the amount of the residuary surplus. The needs of labour at existing wages was also a consideration of importance, but

these were not necessarily the only considerations. For instance, no scheme of allocation of bonus could be complete if the amount out of which the bonus was to be paid was unrelated to workmen's efforts. And even if all these considerations were mentioned they would not exhaust the subject.

Finally, the Tribunal stated its approach to the problem, as having been motivated by the requirement that industrial peace essential for the development and expansion of the industry should be ensured. "This can be achieved by having a contented labour force on the one hand, and on the other, an investing public who will be attracted to the industry by a steady and progressive return on capital. It goes without saying that, if the residuary surplus is appreciably larger in any particular year, it should be possible for the company to give a more liberal bonus to the employees."

The Tribunal's upholding of the Award of the Industrial Court slowly but surely sealed the fate of the strike which in any case did not command public sympathy. Practically from the 10th October, workers began returning to their mills in large numbers ; and the Socialist labour leaders decided that discretion was the better part of valour and promptly called off the strike. So ended an episode, on which the best comment is that it need never have happened at all and that those who were responsible for it had inflicted great harm on the consumer. The consequences of that strike are yet to be seen and felt. Many exporters' contracts were unfulfilled, the shops became empty and on the eve of Diwali, the poor consumer could not buy his requirements. May we hope that at least next year better counsels will prevail on all concerned ?

Ahmedabad Labour

The Ahmedabad Textile Labour Association, a powerful trade union, claimed in August last that despite price control and difficulties of obtaining cotton, the industry in Ahmedabad had made substantially higher profits as compared with pre-war years. It estimated the total gross profit of the industry (47 mills) at Rs. 739 lakhs. The 47 mills transferred Rs. 17 lakhs to reserve fund and spent Rs. 109 lakhs on repairs and renewals. The Association took serious objection to the abnormally high managing agents' commission and pointed to the 7½ per cent standard laid down for managing agents by the Tariff Board. Actually, the agents' commission totalled Rs. 215 lakhs, whereas on that basis it would only be Rs. 36.5 lakhs. According to the Millowners' Association, out of 65 mills in Ahmedabad, one had closed down, another had gone into liquidation, five had resigned their membership and nine other mills had incurred loss during the year. While two mills were in such a position that they would be put to a loss if provision is made for statutory depreciation. The Association, replying to the labour demand for the attainment of a living wage, observed that that was a thing of the future and cannot take priority over the limitations of the industry in its present financial conditions. It refuted also the contention regarding managing

agents' commission. It also pointed out how Ahmedabad mills have been paying a higher rate and a higher dearness allowance compared with Bombay mills. According to the Millowners, the stage had been reached with the fall of profits when what little is left, after providing for statutory and contractual obligations, should be ploughed back into the industry. On an average the textile worker in Ahmedabad gets about Rs. 20 more than the textile worker in Bombay and the additional burden to the industry is estimated at Rs. 28 lakhs.

It is said that the main cause of higher living costs in Ahmedabad is the policy of government of supplying only superior quality rationed foodstuffs to the City, thereby increasing the food bill; again, the industry has no ration shops of its own with the result that prices of non-rationed articles are also higher than in Bombay. It is difficult to vouch for all these data as much depends on the manner in which they are compiled. Yet another issue which gave rise to acute controversy relates to standardisation of musters and rationalisation. Both employers and workers agreed on the principles but differed on the details. The matter was referred to a Wage Board, but in the meantime the Textile Labour Association managed to come to an agreement with the Calico Mills which upset the millowners and which raised the question whether such an agreement was legal. The Calico Mill resigned from the Ahmedabad Millowners' Association and implemented the agreement as an experimental measure.

Wage Structure

According to the Ahmedabad millowners, no scheme of standardisation can be complete without linking the wage structure to the workload, but the Labour Association felt that working conditions are an important factor. It demanded, for instance, that proper atmospheric conditions should be ensured. On the question of rationalisation, the millowners stuck to the formula for payment of wages as determined by the standardisation scheme. The union would like to have a living wage and wants better working conditions. Thus, on a number of issues, both employers and workers were divided and the only consolation was that both sides believed in the machinery of arbitration. The mills really feel that a stage has been reached when the structure of wages must be determined by the competitive capacity of the industry, which is at present rather low. There are so many inflexible items of costs: transport, electricity and insurance charges cannot be touched; the cost of the raw material cannot be attacked; and adjustment of the wage structure to output seems the only solution to the problem. If the millowners revise the agreements of managing agencies according to which the commission is linked to profits, it might be a good gesture, especially as the present system is so much disliked by the textile workers.

Profit-sharing and Fair Wages Legislation

By the middle of the year 1950, it was generally felt that one of the fundamental issues from the labour point of view would be the fixation

of fair wages and the evolving of a formula of profit-sharing in industry before the Industrial Truce period was over. In regard to the Fair Wages Bill, doubts were felt as to whether it was opportune to introduce a measure at the present juncture. The Ministries of Labour, Industry and Supply, Works, Mines and Power were considering the question. The Ministry of Industry & Supply was reported to be of the view that, by forcing the industry to pay fair wages, the margin of profits will be considerably reduced and will not be available for further investment for the expansion of industry. As development of industry and increase in production were the immediate needs of the country, the introduction of a measure for fair wages *now* was considered to be unwise. The Ministry of Railways was not clear how far such a measure would be applicable to the railways which are a public utility service. Likewise, with regard to profit-sharing, the employers were dead opposed to the measure on the ground that after paying fair wages there will be no profit for share. India has been expecting some flow of foreign capital for the development of some major industries, and if fair wages and profit-sharing are made compulsory, foreign investors may not sink any capital in India. It is true that the proposals for a fair wage have come from the Central Labour Advisory Council on which representatives of all interests are represented. But the employers' view about both is that it is immature.

On the other hand, it was also realised that, if government did not proceed with these measures, labour would create trouble and would also charge the Government of India with a breach of promise on the strength of which they had agreed to accept the Industrial Truce for a period of three years till the end of 1950—altogether a very ticklish question, but there was no shirking it. The Fair Wages Bill has been introduced in the Parliament. The Bill is expected to extend the benefit of fair wages to the six well-established industries of cotton textiles, cement, steel, jute, tyres and cigarettes, in the first instance. The Tripartite Committee had recommended that the obligations to pay a fair wage should be subject to the capacity of the industry. Under the Bill, Wage Boards will be established to decide between the rival claims of employers and employees in each State on a regional or industry-wise basis. It is expected that the Working Party set up by the Government of India under the chairmanship of Mr. A. Ramaswami Mudaliar would also give its views on this question. Three groups, namely, supply of raw cotton, equipment of the industry, and productivity and rationalisation, will be investigated by the Working Party. Everywhere the feeling is gaining ground that workload and efficiency should be determined by a complete investigation of the working conditions in the industry and wages should be on a scientific basis. The necessity for relating remuneration to output is generally felt. The productivity of the industry can be increased so as to bring down costs by fixing workloads for the occupational wages now current and providing production bonus for additional workloads. On this question, the lessons gathered by the productive team of the British cotton textile industry which recently visited U.S. to study spinning, doubling and weaving, all show that " high

productivity and cost reduction are largely the results of efficient utilisation of equipment and acceptance of normal workloads based on sound methods of assessment ".

On August 10, 1950, Parliament passed the Minimum Wages (Amendment) Bill whose statement of objects and reasons stated : " The Bill in its present form is undoubtedly a novel experience in the field of wage regulation, for, it is not often that enactments of this kind provide for anything more than a bare machinery for fixation of wages. If then Government have tried to include in the Bill something more than is usual or conventional, it is because they have tried to give expression, inadequately perhaps, to the hopes and aspirations of a class of wage earners who occupy a strategic position in the economy of the country. It is, however, explained in the Statement that the ultimate expectations have to be tempered with immediate possibilities and hence the Bill emphasizes the limit of fair wages being set by the capacity of the industry today. The fair wage contemplated in the Bill will, so long as the cost of living index number exceeds a slab of 185 to 200 (the cost of living index number of 1939 being taken as 100), consist of a basic rate and a cost of living allowance. The latter is to be adjusted according to such graduated scales as may, from time to time, be prescribed by the appropriate State Government. There are also provisions in the Bill relating to the fixation of wage differentials, calculation of overtime, the principle of equal pay for equal work for men and women and the revision of fair rates of wages from time to time. The machinery contemplated for the fixation of fair wages is largely based on familiar lines—tripartite Wage Boards co-ordinated by an all-India appellete body. The technical aspects of the working of Wage Boards are on the lines provided for in the Labour Relations Bill and include details regarding publication, commencement and period of operation of Awards and similar matters.

Capacity of Industry

It has b y laid down in the Bill that an employer, to whom the provisions of the Bill apply, shall in no circumstances pay his employees a wage less than the minimum wage described there, irrespective of the capacity of the industry or the unit. The Bill contains a financial memorandum, a practice resorted to for the first time, relating to the expenditure that would be incurred in setting up the machinery for the fixation of fair wages. According to the principles laid down in the Bill for the determination of fair wages, the fair rates of wages for such employees shall not be less than the minimum rates of wages payable to them. The minimum wages are fixed for employees in certain specified industries under the Minimum Wages Act, 1948. The Bill defines the phrase " minimum rate of wages as wages which ensure to an employee the means to provide a standard family with food, shelter and clothing and also medical expenses and education of children appropriate to his station in life ". The Bill provides that, if the fair rates of

wages determined under these principles exceed the wage-paying capacity of any establishment for any special reasons not connected with mismanagement thereof, the board or the regional board, as the case may be, may fix lower rates of wages for workers employed in that establishment.

It is heartening to note that in considering the capacity of all establishments due allowance will be made for a fair return on capital, remuneration to management and a fair allocation to reserve and depreciation funds so as to keep that class of establishments in an economically sound condition. The right to strike and declare lock-outs is restricted in the Bill. The right cannot be exercised by any party in pursuance of any dispute arising out of any matter referred to the board regarding payment of fair wages during the time proceedings are pending before such a board. This also applies to the period in which the award is in operation. The total annual recurring expenditure to be incurred by the Central Government as a result of the Bill will be about Rs. 3.3 lakhs and by State Governments Rs. 50 lakhs. Substantial reduction in this expenditure, it is stated in the financial memorandum, is however, possible by utilising the existing industrial tribunals in the country and by securing the services of members of the boards without payment of fees.

CHAPTER VIII

RAW COTTON

We have already seen in earlier chapters what an important part, nay, crucial part, raw cotton has played in determining the fortunes of the cotton textile industry during the year. It has been a tale of unrelieved shortage, and often a hand-to-mouth existence for most of the mills. Such a scramble for cotton of the indigenous as well as foreign varieties could not but raise the prioes and to the credit of the government it must be said that they had the courage to face realities and despite the warnings of critics belonging to the so-called anti-inflationary school, they decided in June to revise the cotton ceiling prices for the new crop to higher levels. Control over *kapas* was, of course, not practicable for various reasons. But the upward revision of the official ceilings did help to remove from the dealings of cotton merchants and mills the rather opprobrious feeling that they were doing something that was not warranted. The stark reality of higher cotton prices against a world background of still inadequate supplies could not indeed be burked any longer. Another feature of this cotton year is the proposal for bulk purchase of cotton which so far has been deferred because its practicability is still doubtful and also because the more powerful mills do not see any advantage in such a scheme. And now, feverish buying has been reported in the cotton markets all over the world and ours has been no exception, with the result that cotton prices have once again pierced the ceilings. Hectic buying, particularly

of Jarillas, Bengals and other varieties has been reported. It looks as if it would be very difficult for government to prevent black-marketing in cotton and indeed, a warning has been uttered to the mills and traders. But we shall not anticipate all those developments, which are here chronicled in the proper order. What is of great moment now is the considerable rise in the price of almost all growths of foreign cotton, particularly Egyptian and Californias. There has been far too much competition from India, Japan, Lancashire and Russia in Alexandria with results we can all see. And yet, we must import foreign cotton to keep the mills going, and the complaint against official tardiness in arranging for imports of Egyptians when the prices were much lower has real foundation. Looking impartially at the cotton supply position, one will be struck by the constant improvisations resorted to by our authorities, with the result that supplies have neither been adequate nor at economical prices. It turns out that a hesitant policy has only ended in inflating the cost of the raw material to the mills.

The World Crop

The world cotton crop in the 1949-50 season was estimated at 31.2 million bales, which is 8 per cent larger than the previous crop and 2 per cent more than the 1934-38 average. Generally, the prospects of high and stable prices for cotton and less world food shortage were responsible for extension in the area under cotton, while weather conditions were also favourable. Increased productivity was also favoured by such long-term factors as development of irrigation, better use of improved varieties of the seed and of fertilisers. The outlook for the near future was clouded by the introduction of production controls on Upland cotton in the U.S. and on long staples in Egypt, the major producers of medium and long staple cottons. Even after allowing for plans for expanding production in India and elsewhere, doubts have been felt that next season will see a moderate drop in crop production.

World consumption of cotton in 1949-50 was estimated at 28.8 million bales, showing a small up-turn. World consumption is still two per cent below 1934-38 average, which in the face of a very high level of world economic activity is rather curious. The factors restricting the global consumption appear to be the high prices of cotton textiles, particularly in the devalued countries, the shortage of cotton in the non-dollar areas and unsettled conditions in the Far East. At any rate, competent observers do not except any significant and sustained advance of world consumption of cotton in the near future. The 1949-50 season was expected to witness an increase of two million bales in the world carry-over. By the end of the current season, the carry-over may reach 17 million bales, which is the average of the pre-war years. The increase in the world carry-over has taken place mostly in U.S. World exports of cotton were expected to total about 11½ million bales in the 1949-50 season, the increase being most pronounced in dollar cottons which are more available, partly owing to the foreign aid programme and partly for purely commercial reasons.

The 1949-50 crop estimates are largely based on actual movements into commercial channels, except for the obscure countries like Soviet Union and China. While increases in production over the previous season are fairly general, the noteworthy exceptions were stated to be Egypt and China. The Mexican crop was reported to be strikingly larger. So too in the United States. But in countries like India and China, the cotton crop is still smaller than the pre-war standards. The 1949-50 season has seen a further accentuation of the staple length production trends which were visible last season, namely, the increase in the absolute and relative importance of 7/8″ to 1⅛″ staples and of those 1½″ and longer. The relative importance of the United States crop in the first-mentioned group, together with the expansion in medium staple growing countries generally and the tendency to switch to medium staples in short staple growing countries, account for the higher proportion of 7/8″ to 1⅛″ staples in this season's crop. The increased importance of staples 1½″ and over is attributable to the great expansion in Egyptian Karnak production at the expense in Egyptian of 1⅛″ to 1½″ staples, chiefly Ashmouni and similar varieties. World production of the longest staples has almost doubled over the past two seasons and now approaches one million bales.

Outlook for 1950-51

Further expansion in world production would very likely occur in 1950-51 but for the fact that owing to the large stock accumulated in U.S.A. in the course of price support operations, a curtailment of production is projected. The total area planted may even be smaller by about 20 per cent, which might involve a reduction of about four million bales in U.S. production. As against this, extensive cultivation in other parts of the globe is expected. In the Indian Union alone, recommendations have been made for an increase of 8 lakhs bales. In Mexico and Egypt, expanded cultivation may occur. With all that, it is doubtful whether the possible reduction of four million bales in the United States crop will be offset to the tune of more than 1½ million bales in these other regions. The reduction of the American crop will curtail the supply of medium staples.

Similarly, with regard to long staple cottons, the outlook is hardly more bright. For in Egypt, the area for planting Karnak and other staples has been reduced by about 25 per cent for 1950-51. This may be slightly offset by higher plantings of long staples in Peru and U.S. The full impact of all these measures cannot be predicted now, but there is a common belief that the season 1950-51 will witness a drop in outturn from 31.2 million bales to possibly 28.5 million. As there is very little reason for consumption to decline below 28.8 million bales, a dip into the old stocks at the end of 1950-51 would not be a surprise. After all, cotton consumption in 1949-50 had declined by nearly a million bales in China and by about 350,000 bales in India from the levels of 1948-49. It cannot but be expected that at least in 1950-51 there would be increased consumption. A number of factors have to be considered. Given the

present textile productive capacity and assuming general economic activity to run at high levels, and in view of the prospect of less foreign exchange difficulties leading to improved access to sources of supply, there is every reason to assume at least a steady trend in consumption, if not a big advance.

The latest reports (Nov. 20) are indeed pessimistic and suggest world supply of 27 million bales in 1950-51 owing to a shortfall in U.S. production. Since world consumption may also be definitely more than that figure, a world deficit of cotton is presumed. American exports in 1949-50 may touch about 2.8 million bales. Importers, however, are enthusiastic about securing larger quotas of U.S. cotton. Hopes of obtaining larger quantities of East African cotton appear to be dwindling, to judge from the first auctions held in Uganda at which Indian businessmen were outbidden by Japan to the tune of nearly Rs. 600. Alexandria and New York may be expected to pick up the cue.

The Indian Crop

At the 62nd meeting of the Indian Central Cotton Committee held in Bombay towards the end of September 1950, Sardar Datar Singh, Vice-Chairman of the Imperial Council of Agricultural Research, announced that the total production of cotton in India during the current season would be higher by 20 per cent as compared with 1949-50. In view of the tight position of supply of cotton and the high prices of foreign cotton, he emphasized the great need for increasing production further in the next season. In pursuance of the recommendations made by the I.C.C.C. in October 1949, the Government of India decided to operate the plan for increasing production of cotton during 1950-51. A Cotton Extension Officer was appointed in each of the important cotton growing States. About 11 lakhs maunds of seeds were purchased for distribution. The overall target for increasing the production of cotton in 1950-51 has been fixed from observations at 5.97 lakhs bales, but it is too early to say as to how far this will be achieved. Indications, however, were that 20 per cent increase in the production of cotton during the current season (1950-51) may be expected.

Some of the States have shown themselves willing to extend cultivation of cotton in their tracts without taking land away from food crops. Orissa, West Bengal and Assam have developed schemes for extension of cultivation. In the U.P., there has been a rise from one lakh to 1,60,000 acres. Along with this, improved varieties have also been supplied. Sardar Datar Singh also voiced his satisfaction to the decision of the government to raise the controlled ceiling prices of all varieties of cotton by Rs. 150 per candy for the 1950-51 crop. He also referred to the fact that nearly 4,09,000 bales of American cotton arrived in the Bombay port between March and July 1950 and taxed the resources of the fumigation staff.

FINAL ESTIMATE OF COTTON CROP FOR 1949-50 : SUMMARY

1949-50	1948-49	Increase (+)	1949-50	1948-49	Increase (+)
Area (Acres)	Area (Acres)	Per cent	Yield (Bales)*	Yield (Bales)*	Per cent
11,793,000	11,293,000 †	+4.4	2,165,000	1,767,000 †	22.5

* Bales of 392 lbs. each. † Partially revised.

ACREAGE AND PRODUCTION ACCORDING TO TRADE DESCRIPTIONS (1940-50)

(In Thousands)

	Area (acres)	Yield (bales)
Bengals	837	317
Americans	293	81
Oomras	3,900	449
Broach	548	154
Surti	441	102
Dholleras	1,017	280
Others	4,757	782

The merged territories of Orissa which account for about 15 thousand acres under cotton and nearly one thousand bales of yield have been included in the all-India estimate, for the first time this year. The increase in acreage has mainly occurred in Bombay, Punjab, Hyderabad, Rajasthan and Saurashtra and has been generally attributed to favourable weather conditions at the sowing time. A significant rise in yield over last year has been registered in Bombay and Saurashtra owing to the fact that in 1948 there was complete failure of monsoon in the Gujarat region while in 1949 climatic conditions have been generally favourable to the crop. An increase in 100 per cent in yield has been recorded in case of Punjab due partly to increase in acreage and partly to the progress of rehabilitation in that State. Madhya Pradesh, on the other hand, has reported a considerable decline both in acreage and yield as a result of persistently unsatisfactory climatic conditions during the four months ending January 1950. It is well known, however, that official production is generally under-estimated as compared with the forecasts of certain non-official agencies. On the basis of the relationship between averages of official and non-official (Volkart Brothers) estimates for 1948-49 and 1947-48, the current year's adjusted figure of yield comes to 29.69 lakhs bales.

In the middle of November 1950, Shri K. M. Munshi, the Minister for Agriculture, stated in Parliament that the first forecast of cotton for 1950-51 which generally covers about 2/3rds of the total crop puts the area at 7.12 million acres as compared with 6.45 million acres last year. Present indications of the production of cotton in 1950-51 are about 35.65

lakhs bales. He said that India is expected to become self-sufficient in the production of East Indian varieties by 1951-52.

Cotton Control Policy

Early in June 1950, the Textile Advisory Committee met in Bombay under the Chairmanship of Shri H. K. Mahatab, Minister for Industry. The discussions centred mostly round the question of the future policy regarding cotton. Various opinions were expressed, and while some advocated complete decontrol of cotton, others went to the other extreme of suggesting control even over *kapas*. One member expressed his view that the most effective way of stabilising cotton prices at any particular level was to organise collecting buying. A sub-committee was appointed to report on the question. Later, the sub-committee stated that almost all the millowners except the Bombay Millowners' Association were prepared to give a trial to the scheme of collective buying. The Textile Advisory Committee felt that cotton prices for the next year (1950-51) should be raised. But the Bombay Government were opposed to any such increase on the ground of the reaction of such a step on the cost of living, procurement of foodgrains, etc. But the millowners and cotton traders made it amply clear to government that the ceilings fixed for cotton then were not only out of tune with world cotton prices but also with the prices of other agricultural products. It was pointed out that the low level of cotton prices and prevailing shortages had given great scope for black-marketing. Mills complained that the cost of manufacturing cloth was not truly reflected in ex-mill prices as the industry had to pay a premium of over Rs. 150 per candy for its raw materials. We also favoured an increase of the price of cotton. The Minister explained that government will be guided by the collective judgment of all concerned.

Prices for 1950-51 Crop

It turned out that government agreed to bow to the consensus of opinion and decided at once to raise the ceiling prices of all varieties for the 1950-51 crop by Rs. 150. The official *communique* added that an effective machinery will be devised for collective purchase of cotton and maintenance of prices at reasonable levels subject to the ceiling. As the new cotton crop would not come into the market before next year, there was no question of any change during the next six months in the price of cloth made out of Indian cotton. The prices of cloth made out of the new cotton crop will be fixed as usual, it was stated. The Planning Commission was reported to have endorsed the new cotton policy. It may be pointed out that the increase this year is at a flat rate of Rs. 150 per candy for all varieties, unlike last year when ceilings of certain better varieties were alone raised. The following table gives the increased ceilings for the 1950-51 crop. Ceilings for the 1949-50 crop are given for the sake of comparison.

Cotton Ceiling and Floor Prices (1949-51)

Description	Floor unchanged	Ceiling for current crop (1949–50)	New Ceiling for next crop (1950–51)
Jarilla 25/32"	495	620	770
Broach ¾"	475	600	750
Vijaya 25/32"	565	690	840
Surat ⅞"	655	780	930
4F Punjab American ¾" Roller-Ginned	525	650	800
4F Punjab American ¾" Saw-Ginned	545	670	820
L.S.S. Punjab American 13/16" Roller-Ginned	585	710	860
289F Punjab American ⅞" Roller-Ginned	675	800	950
289F Punjab American ⅞" Saw-Ginned	705	830	980
Coompta ⅞"	645	770	920
Upland 13/16"	575	700	850
Western 13/16"	555	680	830
Cambodia ⅞"	675	800	950
Karunganni 13/16"	575	700	850
Buri American ⅞" (including C.P. Cambodia)	625	750	900
Parbhani American ⅞"	625	750	900
Gaorani 6 and 12⅞"	625	750	900
Dhollera ¾"	......	570	720
Kalagin ¾"	......	570	720
Bengal Deshi	......	445	595
Mathia	......	495	645
Oomra Deshi	......	495	645
C.P. I and II ⅝"	......	520	670
Central India	......	495	645

Prices are in rupees per candy of 784 lbs.

With the raising up of the ceilings, it was expected that a big margin between the control prices and black-market prices by way of free kapas prices will be eliminated. The moot point was whether the raising up of the ceiling of basic Jarilla from Rs. 620 to Rs. 770 would permit resumption of normal activity in the forward cotton market. That the policy would encourage better cultivation of cotton was almost certain, but even then the crop depended upon favourable weather. Yet, the provision of an incentive for the diversion of more acreage of cotton was felt to be timely. Much depended upon how the cultivator reacted to the gesture. In one sense, the new prices only put the official seal of approval on what was already a *de facto* situation and as such, there was no actual incentive to the cultivator. Some critics pointed out that as sowing had already been completed in many places, the announcement might not have much effect and that there was something naive in the belief that the higher ceiling prices would have a direct effect on the cotton grown in the 1950-51 season. Everywhere, the feeling was uppermost in the minds of people that higher ceilings did not necessarily solve the problem of cotton supply to the mills and that it was worth trying with the scheme of bulk buying to see whether steady supplies could be ensured.

Bulk Purchase

Throughout these discussions, many in the trade, and the smaller mills particularly, felt that only the existence of a machinery to make collective purchases of cotton would ensure supplies and at the same time maintain control over prices. But so powerful a body as the Bombay Millowners' Association felt that it was unworkable and dissociated itself from the scheme. Many arguments were put forward for and against bulk purchase, such as that the freedom of choice of cotton varieties would be wiped out, etc., etc. Success of such a scheme would depend naturally on the co-operation the mills can extend to it. All that could be said for such a bulk purchase is that the productive machine may be kept going at a steady rate, *if* a sufficient stock is purchased by the Central body. To our mind, bulk purchase would be mainly instrumental in enabling government not to retreat again in the face of higher prices. Already such a situation has arisen since the ceiling prices have been pierced. Obviously, either government have to give up the pretence of price control or take steps to enforce it through the medium of bulk purchase and supply to the mills. After all, even the mills were not too keen over control of kapas and the impression was gathered that everybody wanted some loophole from where loose cotton could be picked up on occasions. Much really depends upon the availability of internal and outside supplies. Any scheme of bulk purchase depends upon that, and we are not so sure that the outlook in this respect is free from obscurity. Rather to our mind, the remedy against confusion lies in enforcing the controlled prices strictly. The present ceiling prices should neither be unrealistic nor a dead letter.

Cotton Control Order, 1950

On the 13th September 1950, the Central Government passed the Cotton Control Order, 1950, which repealed the previous year's order. Briefly stated, the order permits the Textile Commissioner to fix the maximum and minimum prices at which any cotton or kapas can be sold or purchased and no transactions at prices over or below such prices were permitted. The Textile Commissioner has power to specify the maximum quantity of any description of cotton which a manufacturer may buy during a specified period and no mill can have in its possession a quantity in excess of such a limit. If any mill had in its possession a quantity of cotton in excess of that which would reasonably be required by it for manufacturing yarn in the next six months, it is open to the Textile Commissioner to direct sales of cotton out of such excess at prices specified by him. In order to secure proper distribution of cotton, the T.C. was vested with power to direct any holder of cotton to sell such quantities and such descriptions as he may specify and to restrict the deliveries of cotton of certain descriptions. With regard to kapas, the T.C. has power to prohibit the possession of any kapas of a specified description except with his permission, and further no manufacturer can purchase or acquire kapas except when he is the owner of a cotton ginning factory. Similarly, the transport of cotton from place to place also

requires permission. The clauses of this order are almost the same as in previous years.

Cotton Advisory Board

In October 1950, the Government of India decided to set up a Cotton Advisory Board at Bombay to assist the Textile Commissioner. The Board will function in an advisory capacity. The duties and functions of the Board will be :—

(*a*) to advise the Textile Commissioner in the matter of allocations of cotton to the various mills. Subject to the overall policy of Government, the Textile Commissioner would ordinarily accept the recommendations of the Board;

(*b*) to act as general liaison machinery between the mill industry and the Government in the matter of ensuring that individual mills effect their cotton purchases in the manner prescribed by government;

(*c*) to make suggestions to the respective Millowners' Associations in regard to the action which the Associations should take against individual mills who may violate or circumvent the provisions of the cotton control orders.

2. The Board will be vested with powers to form Regional Committees in the important cotton growing State/areas consisting of representatives of the appropriate Millowners' Association, State Government and the cotton trade. The functions of the Regional Committee will be prescribed by the Board to whom such Regional Committees will be responsible.

3. Cotton Advisory Board consists of the following members: (1) Mr. Neville N. Wadia (Bombay Millowners' Association), (2) Chandulal P. Parikh (Ahmedabad Millowners' Association), (3) Mr. M. L. Shah (Bengal Millowners' Association), (4) Mr. K. Sreenivasan (Southern India Millowners' Association), (5) Mr. R. C. Jall (Madhya Bharat Millowners' Association), (6) Mr. H. Hill (Upper India Chamber of Commerce, Kanpur), (7) Mr. P. H. Bhutta (Madhya Pradesh Millowners' Association), (8) Mr. R. G. Saraiya (Indian Central Cotton Committee), (9) Mr. Purshotamdas Thakurdas (East India Cotton Association), (10) Mr. Madanmohan R. Ruia (Cotton Buyers' Association), and (11) Mr. Hansraj Jivandas (Bombay Cotton Merchants' and Muccadams' Association).

The decision to set up the Board was taken after mature consideration and with a view to ensuring the success of the Cotton Control Order. A section of the trade had mental reservations about the scheme and were afraid that conflict of interests may mar the task of the Advisory Board. On the question of entrusting the trade and the mills with the task of ensuring the success of cotton control, government had kept an open mind. If the new scheme fails to achieve its objective, stringent measures will have to be taken. The latest reports of trading in cotton

above the ceilings are very regrettable. It is such things that force the hand of government, when really everybody should play the game. The new cotton year 1950-51 began with a carry-over of 15,500,000 bales, which is slightly less than the carry-over at the beginning of last season. If the present estimates of 30 lakhs bales for this year's cotton crop turn out to be true, India can scrape through the season without much difficulty. That is why government are going the whole hog in a supreme effort to attain the target.

Somewhat late in the day, government announced at the end of September 1950 their decision to allow imports of U.S. cotton (new crop) stapling 1-1/16″ and above. It was stated that licences will be issued to mills desirous of using the imported cotton for the manufacture of cloth for exports or who undertake that in the case of cloth intended for sale within India, the ex-factory price of such cloth will be fixed according to the specified prices for cloth in which such cotton is used. The first reaction among mills to the announcement was not quite favourable, as no announcement was made about revision of cloth prices.

Exports of Cotton

Early in November 1950, an ordinance was issued by the Government of India enhancing with immediate effect the export duty on raw cotton from Rs. 100 per bale to Rs. 400 per bale of 400 lbs. New export duties at 50 per cent *ad valorem* on cotton waste of all sorts were also announced. Latterly, there has been a scramble by exporters for Bengal Desi which has been quoting at 5 per cent above ceilings even in up-country centres. It was said that exporters and mills were competing with each other to secure the variety. The exporters seemed to expect an announcement lifting the ban on exports very soon and were accordingly buying feverishly. The official attitude is not quite clear, but it is certain that exports upto the normal level will be permitted. One view is that instead of using the Bengals in India for mixings, it would be much better to increase the export of Bengals and thereby pave the way for import of larger quantities of foreign cotton of the staple varieties.

The increase in the U.S. export quota by 1,350,000 bales which brings the total for the period ending 31st March 1951 to 3,496,000 bales came as a surprise to all cotton markets. This increase will be favourable to importing countries like Lancashire and India. In one sense, the higher quota offered will be a great relief. For there has been a scramble for all growths which can be used as substitutes for American cotton and this will now lessen. A larger allocation of U.S. cotton will certainly ease the tight supply position and the U.K. and other countries are proportionately relieved of the necessity of being forced to buy other growths at fantastically high prices.

Almost chaotic conditions have been produced by the phenomenal rise in cotton prices, rendered worse by the increases in export duty. India's increase in raw cotton export duty to Rs. 400 per bale does not much affect soft currency countries as a ban to such countries has

already been in force. But the new export duty of 50 per cent on cotton waste is a big blow to the U.K. which has been a large importer of our cotton waste.

Raw Cotton Stocks

(Number of bales)

Date	Cotton actually on hand in mill godown	Ready cotton bought but not taken delivery of	Total
31-8-1947	406,649	24,008	430,657
29-2-1948	396,037	61,775	457,812
31-8-1948	396,335	30,836	427,171
31-8-1949	369,085	18,878	387,963

Source: Bombay Millowners' Association.

Refund of Import Duty on Cotton

In January 1950, after a meeting of the Textile Advisory Committee, it was announced that the government would refund the import duty on cotton at the rate of two annas per pound on the weight of fine and superfine textiles actually exported. According to the mills, the proposal to limit the benefit of rebate only to fine and superfine cloth cut out from the benefits of the rebate that section of the industry producing medium goods consisting of superior varieties of longcloth and susis which were made wholly from imported cotton or partly from Indian and partly from East African cotton.

Cotton Supply Problem in 1949-50

Towards the middle of December 1949, Government announced by the following press communique steps to meet cotton shortage in the country :—The Government of India have had under their consideration the steps to be taken to meet the shortage of cotton by suitable imports from other countries. It has been decided that immediate allocation of foreign exchange should be made to allow the import of 8,00,000 bales of cotton from various countries including hard currency areas. Of this quantity 2,20,000 bales have already been secured from East Africa by bulk purchase jointly with the United Kingdom Raw Cotton Commission. The quantity proposed to be imported is substantially larger than normal imports, which have been of the order of 6,00,000 bales per year. The Foreign Exchange position will be kept under review and if possible further allocation of exchange will be made for the import of a larger quantity of cotton. In this connection, the Government of India desire to give an assurance to the Cotton Textile Industry that a reasonable price for cotton imported from the various areas will be recognised in fixing the price of cotton textiles as that the industry may have no difficulty in utilising the impored cotton. At the same time, the price of cotton textiles to the consumer will also be kept under consideration and suitable measures will be devised to counteract increase in price to the

consumer, if any, due to the larger use of imported cotton. The Chairman of the Bombay Millowners' Association addressed a communication to the Hon'ble Minister acquainting the latter with the cotton situation in the country. The Association subsequently issued the following press note explaining the statistical position in regard to supply and demand of cotton :—

"The Government press communique on the cotton situation published in the press on the 15th December 1949 does not give the full facts of the case, and is calculated to give the impression that all is well with the industry and that there is no cause for anxiety about supply of cotton or production of cloth. The real statistical position in regard to supply and demand of cotton in the cotton season 1949-50 ending 31st August 1950 is roughly as under :

SUPPLY

Estimated carry-over with the mills and with the trade on 31-8-1949 ...	12 lakhs of bales
Latest estimated cotton crop in the Union in the season 1949-50 ...	26 lakhs of bales
Anticipated imports including i.e. the quantity which it is reported government propose to bring ...	8 lakhs of bales
Total supply ...	46 lakhs of bales

DEMAND

Estimated consumption of all kinds of cotton in Indian mills at current levels of consumption ...	42½ lakhs of bales
Estimated exports of old and new Bengals and other permissible varieties ...	2 lakhs of bales
Extra factory consumption ...	2½ lakhs of bales
Total consumption ...	47 lakhs of bales
Shortage ...	Minus 1 lakh of bales

The following points should be considered in connection with the above quoted figures :—

(*a*) The total carry-over at the commencement of the season standing at 12 lakhs bales is even less than the carry-over with the mills alone at the beginning of the 1948-49 season. (*b*) A considerable portion of the carry-over at the commencement of the season being very old will be unuseable and therefore the deficit at the end of the season would be very much in excess of the one lakh bales shown. (*c*) The fact that there is a substantial deficit at the end of the season 1949-50 deserves very serious notice for it implies that unless Government immediately brought in an additional 12 to 14 lakhs bales, there will be no cotton with the mills in the period September to December 1950, new crops moving only in December 1950. That apart, the lag between supply and demand will encourage spirality of prices, and this tendency would be checked if the additional supplies indicated were made available in this country. Ruling prices of cottons are generally very much higher than last year and higher priced cotton means a corresponding increase in the price of cloth and yarn, a situation which the Association, more than

anybody else, desires to avoid if possible. Bearing in mind the fact that India can do very little to check the upward trend of prices of cotton in world market, it is felt that the situation could be remedied in this country with substantial relief to the consumer of cloth, by Government abolishing the cotton import duty, the excise duty and the sales tax. The importance of adopting the remedial measures suggested can never be over-emphasized."

CHAPTER IX

HANDLOOM WEAVING INDUSTRY

Like the poor, the problems of the Handloom Weaving Industry are always with us. Indeed, after a brief respite from the chronic anxieties which have always beset the industry, thanks to the mill cloth shortage, the difficulties of the industry are again making themselves felt in an acute form. The acute scarcity of cotton yarn of coarser counts has not helped matters and it was only in July 1950 that exports of yarn of counts 20s and below were stopped. In May 1950, the Government of India decided to permit the import of a lakh bales of cotton to tide the handloom industry over its crisis. Import licences for about 70,000 bales had already been issued and according to the government scheme, imported cotton to the extent of about 66,000 bales was supplied at a fair price to the spinning mills in Madras for being spun into yarn which would be supplied to handloom weavers, and the mills were subsidised to offset the higher price of foreign cotton. Suggestions were also made that out of the handloom fund of Rs. 10 lakhs, State subsidy should be provided to the weavers. While the raw material has always been uncertain, the plight of the industry has been aggravated by the steep contraction of demand, internally and externally. The loss of the Burmese and Pakistan markets has certainly hit the industry hard and but for the encouragement and assistance offered by the Central Government, little as it doubtless was, the industry would have been very poorly off.* The Central Government purchase on an average of Rs. 3 crores worth of cloth every year for defence and other supplies, and are prepared to absorb 1/3rd of their purchases from the handloom industry provided the requisite varieties are available. In fact, the solicitude of the government for this cottage industry has been of the highest and yet it is a common complaint from handloom weavers that the government are still guilty of excessive concern for the 400 cotton mills in preference to the 2 million handlooms.

Reservation of Field of Production

The All-India Handloom Board of 1949 was replaced by the Standing Handloom Committee (a smaller body of 11 members) of the All-India Cottage Industries Board appointed by government early in 1950. The personnel of this committee is given in the earlier pages. The ques-

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* The Indo-Pakistan Trade Agreement of 27th February 1951 opens out some possibilities of export of handloom goods to Pakistan.

tion of reservation of a definite part out of the total field of production for the handloom industry had been pressed upon government who thereupon brought the matter up for discussion before the Textile Advisory Committee at its meeting held early in October 1949. A joint committee of the handloom and mill industry was appointed consisting of Mr. Dharamsy Mulraj Khatau, Mr. N. P. Hutheesingh, Mr. Bharatram, Mr. J. R. Marshall, Mr. M. Somappa, Mr. Sukumar Dutt, Mr. Kanchanlal C. Kapadia, Mr. Y. N. Paonikar, Mr. B. K. Ghosal, Mr. A. D. Balasundara Mudaliar, and Prof. M. P. Gandhi to advise the Textile Commissioner in the matter. This Committee went into the question on the 7th November 1949 and submitted a few recommendations on the subject (*vide* page 66, Handloom Weaving Industry *Annual*, 1949):—

(a) *Sarees*: Mills should not weave sarees with borders exceeding 2″ in width nor use Zari or gold coloured art silk yarn in the saree borders. They should also not use coloured yarn in the body of sarees, thus reserving all coloured, striped and check sarees to be manufactured on the handlooms.

(b) *Dhoties*: Mills should not weave dhoties with borders exceeding $\frac{1}{4}$″ in width nor should they use Zari or Muga or art silk yarn in Dhoti borders.

(c) *Lungis and Gamchas*: Mills should not weave Lungis, Serongs or Gamchas with check patterns.

(d) *Chaddars and Bedsheets*: Mills should not weave checked or striped Chaddars. They should also not weave bedsheets with borders lengthwise or breadthwise but they may weave bedsheets with headings only.

(e) *Gauze, Bandage and Jaconet Cloth*: Reserve all Gauze cloth, Bandage cloth and Jaconet cloth for handloom industry.

(f) *Furnishing fabrics*:—

(1) *Table Cloth and Napkins*: Mills may produce damask bleached qualities of Table cloth and Napkins but the other varieties should be reserved for handloom industry.

(2) *Bed Covers and Counterpanes*: Reservation of all Bed Covers for handloom industry. Mills should weave counterpanes only with jacquard designs.

(3) *Tapestry*: Mills should not expand their production of Tapestry cloth but restrict the quantities to their present production.

(g) *Dusters*: Reservation of all dusters for Handloom industry.

(h) *Towels*: Reservation of Honeycomb towels for handloom industry.

(i) *Coarse cloth of Plain Weave*: Mills should not manufacture cloth of plain weave with warp and weft counts less than 10s. Groups I and II in the ex-factory price schedule for cloth issued by the Textile Commissioner should be dropped, thus giving a chance to handloom woven cloth made from handspun yarn to find a market.

The Joint Committee however suggested that the above reservations should apply only to cloth manufactured for consumption within the Indian Union and that for export outside the country the mills should be free to manufacture any variety. Towards the middle of February 1950, the Textile Commissioner announced that he proposed to give effect to the recommendations of the Joint Committee as from 30th June 1950.

Mills' Reactions

It is interesting to notice how the mills felt about this reservation of lines of production. According to the committee of the Bombay Millowners' Association, " vital considerations such as the ability of the handloom industry to meet the entire demand of the country in the shape of manufactures such as honeycomb towels, dusters, bed covers, bedsheets sarees, etc. had been overlooked. That apart, it appeared that the Joint Committee had not considered the question as to whether the handloom industry will ever be able to market its manufactures of cloth at a price anywhere near the prices at which the same could be made and marketed by the mill industry. Restriction of the nature proposed, regardless of every other consideration was not calculated to help the handloom industry, but at the same time the consumer will be forced to pay a higher price if he was forced to take his requirements of the cloth solely coming from out of the handloom industry. It was also doubtful whether Government had considered the question as to how composite mills would utilise in future those looms which were now being used for the manufacture of the particular varieties of cloth included in the Joint Committee's report. Mills might probably have been manufacturing cloths for a long time and for established markets both in India and abroad, and to prevent them from continuing the manufacture of such cloths at this stage would be an act of injustice. Besides, it might also cause the looms of composite mills to remain idle for some considerable time before they were switched over to new varieties. The need of the day was cloth, and more cloth at reasonable prices and the Committee pointed out that the Joint Committee's recommendations were not calculated to bring about that result. In the Bombay Millowners' opinion, a new alignment was taking place in regard to production lines of mills and handlooms, mainly as a result of conditions created by the war. The question was not, therefore, what mills and handlooms were producing in the past, but what each could produce economically and efficiently. This adjustment which was of a material character was bound to take time, but to force the pace by statute or executive action, the Committee submitted, would result in bringing about an unreal and unhelpful state of affairs which was not calculated to benefit either the handloom industry, the mill industry or the consumers."

This view is typical of the vested interests' type of thinking though there is some sense in it. Nevertheless, the Government of India announced their decision, by a Press Note dated 8th May 1950, to reserve for the handloom industry certain fields of production to assist it in its difficult circumstances. The Textile Commissioner accordingly gave notice of the decision which was to be brought into effect from 1st July 1950,

that the following varieties were prohibited for textile mills and power-looms: dhoties with border exceeding $\frac{1}{4}''$, and dhoties with borders having zari or muga or artificial silk yarn; checked lungis, gumchas and chaddars; bedcovers and certain varieties of bedsheets; counterpanes, tablecloths and napkins; gauze; bandage and jaconet cloth; dusters and coarse cloth of plain weave. The State Governments were also advised to develop the production of the varieties referred to above by the handlooms in their areas so as to avoid shortage being created and prices soaring up. It was stated also that the above action was taken as an experimental measure by the Government of India for a period of six months. The Textile Commissioner also stated that government had decided to reserve the manufacture of coloured and checked sarees and honeycomb towels for the handloom industry, but that orders prohibiting the manufacture of such items by mills and powerloom factories would be issued as soon as the Textile Commissioner was satisfied that sufficient progress had been made in their manufactures by handlooms. Subsequently, on the 19th June 1950, towels and towelling cloth in honeycomb weaves and certain varieties of sarees were also reserved for handloom production. Mills and powerloom factories were therefore forbidden to manufacture for internal distribution the following: (1) Sarees with borders exceeding $2\frac{1}{2}''$ in width or with zari or gold coloured art silk yarn in the border. (2) Sarees with coloured yarn in the body (coloured, striped or checked sarees) except in the heading provided such heading is not more than 9″ in width. Powerlooms working on cottage industry basis were exempted.

Several complaints were received by government from both the handloom industry and the powerloom factories, the former protesting against the limited field of reservation while the latter urging that all powerloom factories (and not only those employing less than 10 persons) should be allowed to enjoy the concessions. The government considered the matter carefully and regretted their inability to change the decision they had arrived at.

Let us recapitulate the present position.

Reservation of fields of production for the Handloom Industry

The position at present (February 1951) is that all composite mills and organised powerloom factories coming under the Factories Act have been prohibited from manufacturing the following varieties which have been exclusively reserved for production by the Handloom Industry:—

(1) Dhoties with border, which contain coloured yarn exceeding $\frac{1}{4}''$ in width and those in which Zari or Muga or Art Silk yarn has been used in the border.

(2) Lungi, Sarong or Gamcha with a check pattern.

(3) Checked or striped chaddar.

(4) Bedsheets with coloured borders lengthwise or breadthwise.

(5) Counterpanes other than the one having overall dobby, or jacquard designs and bed covers.

(6) Gauze, Bandage and Jaconet cloth.
(7) Table Cloth and Napkins other than of Damask bleached quality.
(8) Duster and Duster cloth or Wiper cloth or Glass cloth.
(9) Coarse cloth of plain weave with warp or weft counts of 8s and below.
(10) Towels or towelling cloth in honeycomb weave.
(11) Sarees with borders exceeding 2½" in width or with real or imitation Zari in the border or with headings exceeding 9" in width.

Besides the above, composite mills cannot use gold-coloured art silk yarn in the saree border, nor can they use any coloured yarn in the body of the saree except in the heading, provided such heading is not more than 9" in width.

Powerloom factories coming under the Factories Act have been prohibited from manufacturing sarees with striped or checked pattern in which coloured yarn is used and sarees in which the count of yarn used is below 36s either warp or weft and whether single or folded. However, they can produce coloured sarees.

Standing Handloom Committee of 1950

Mention has already been made of the decision of the Central Government to reconstitute the Standing Handloom Committee of the All-India Cottage Industries Board. In an official Press Note dated 8th July 1950, government stated that the above committee was too large a body and that therefore they had reconstituted it with nine members (later increased to eleven), of which Prof. N. G. Ranga is the Chairman. The functions of this Committee as reconstituted were as follows: (1) To make recommendations to the Government of India on the proportion of yarn available from Indian production which should be supplied to each State interested in obtaining it for handloom weaving. (2) To assist handloom weavers in obtaining dyes, chemicals, stores, etc. at fair prices through their recognised associations or through State Governments. (3) To investigate and report on the best methods of marketing handloom products. (4) To undertake research particularly into markets and improvement of production. (5) To advise on the allocation of the handloom development fund earmarked by the Government of India for the furtherance of the interests of the handloom industry; and (6) To report, when necessary, on conditions in the handloom industry.

Till the end of 1950, a sum of about Rs. 4 lakhs was allocated to various States out of the grant of Rs. 10 lakhs made to the Board when it was established.

Yarn Supplies

In July 1950, a conference of All-India Weavers numbering about 25,000 assembled in Sholapur and passed resolutions requesting government (a) that separate marketing organisations should be set up for

handloom products, (*b*) that the reservation of cloth varieties for the handloom industry should be at least 1/3rd of the total cloth production as suggested by the Congress Planning Committee. The resolution also stated that the reservation of varieties was likely to be manipulated by the mills and the object of reservation defeated. (*c*) The conference also requested government to appoint State handloom committees in all provinces, and (*d*) another resolution requested government to make available at least 1 lakh bales of yarn to weavers. It pointed out that the supplies to weavers had come down from as much as 93,000 bales in December 1948 to 40,000 bales in June 1950. The Hon'ble Shri Hare Krushna Mahatab, Minister for Industry and Supply, informed a deputation of weavers that government would soon take steps to reduce substantially the export of yarn so that the handloom industry did not suffer from non-availability of yarn. He hoped that the reservation of certain lines of production would minimise the depression that had come over the handloom trade. The deputation drew the attention of the Minister to the unemployment among weavers and consequent starvation and urged him to protect the industry and supply raw materials to weavers at subsidised rates. It was said that about 10,000 families of weavers in Bijapur were on the verge of starvation for want of a market for bodice cloth, which for years had been exported to the tune of several lakhs of rupees but now was fast going out of fashion. The weavers found it difficult to compete with the modern varieties until their handloom models were changed and that required considerable investment.

Bombay Aid

Adequate measures have been taken by the Government of Bombay to assist the handloom industry in the State, which has been in distress for some time past due to several economic reasons. The scheme, which is at present being implemented, is a two-pronged measure, providing working capital to weavers against the pledge of goods or the outright purchase of handloom products at reasonable and current prices and establishing production units with a view to providing work to unemployed weavers. The sudden rise in the prices of yarn and the fall in prices of handloom products affected the industry. In order to relieve the strain arising out of the shrinkage of finances, particularly at the marketing stage, Government have made provision for necessary funds for co-operative bodies to undertake the work that was being done by trading agencies in normal times. The Joint Registrar for Industrial Co-operatives and Village Industries is authorised to give guarantee to co-operative control financing agencies or to scheduled banks for a margin upto 25 per cent or an aggregate amount of Rs. 5 lakhs whichever is less for enabling the State and District Industrial Co-operative Associations and selected weavers' primary co-operative societies to raise funds to the extent of Rs. 20 lakhs. These co-operative bodies are allowed to advance funds to weavers for operating looms against the pledge of goods or the outright purchase of the finished products at reasonable and current prices. This guarantee is sanctioned for the period ending March 31, 1951, in the first instance. To provide employment to weavers, govern-

ment have sanctioned the establishment of production units in the Bijapur district for one year, in the first instance. The District Industrial Association, Bagalkot, has been entrusted with the work of running these units. It has already started 200 looms out of a maximum of 1,000 sanctioned under the scheme.

The Government of Bombay have authorised the Joint Registrar of Industrial Co-operatives and Village Industries to give guarantee for a margin of 20 per cent for enabling the District Industrial Association to raise funds to the extent of Rs. 3 lakhs required by it for supplying cotton yarn, silk and art silk and an additional Rs. 3 lakhs for holding the stocks of cloth manufactured under the scheme, subject to certain conditions. Government have undertaken the responsibility to meet losses, if any, to the extent of Rs. 25 per loom, per year of working. A committee has been appointed to control and supervise the production units. Besides this, government have helped the Industrial Co-operative Association to raise the necessary funds for carrying on the work of yarn distribution for the State. A guarantee upto a total amount of Rs. 12 lakhs to the financing bodies against possible and unavoidable losses that might be incurred by the Association has been given.

The Government of Bombay also appointed a State Handloom Board in January 1951.

The Madras Scheme

It is well known that the province of Madras has a very great stake in the fortunes of the handloom industry. The Government of Madras recently brought forward a Bill in the Provincial Assembly for developing the handloom industry and for establishing Regional Handloom Boards in the State. Standardisation of production is an important question in handloom fabrics which generally do not adhere to any specifications. This has stood in the way of the development of marketing. So far as there was no legislation which required a producer of handloom fabrics to guarantee the dimensions or the quality of the cloth, naturally not much headway could be made in developing the industry unless such a guarantee was there. The main object of the Bill is to standardise production and a statutory handloom board with 15 members will be established in each region to prescribe the specifications for cloth produced in that area. All cloth that conforms to the regulations will be marked suitably and any cloth not upto the mark will be so stamped. The Bill provided for punishment in respect of false markings. Within the notified area, all looms are required to be registered and loom certificates will be issued free. The Board in each area will consist of the representatives of weavers, master weavers, family weavers, co-operative societies and weavers. At first, simple standards like length and width, ensuring ends and picks, count of yarn, fastness of dyes, etc. will be enforced. The bulk of the transactions will be through master weavers and dealers. An improvement in the standard of cloth will certainly result thereby. As a guarantee is attached to the markings that are stamped, such cloth will fetch a better price and this will discourage the

production of non-standard cloth. As master weavers and dealers realise the advantages of adhering to the specifications, in due course, there will be great improvement in the quality of handloom cloth.

Madras State Handloom Committee

The problems facing the handloom industry in the Madras Province were very realistically considered in June 1950 when the first meeting of the Madras State Handloom Committee was convened. The Madras Industries Minister at the outset outlined the current position of the industry, particularly in Madras. On account of the changed conditions in the textile trade, the position of the handloom industry has worsened considerably. While previously the production of handloom fabrics was geared not only to meet the internal demand but the needs of overseas countries like Burma, Malaya, Ceylon, and the territory which is now Pakistan, the loss of these foreign markets is now felt acutely. There is scarcity of yarn, specially of the low counts. Time was when government were liberal in the issue of licences owing to the glut of yarn, but as the output of low counts has become low, they have revised their policy and restricted the number of licences. As the Minister emphasized, marketing is a great problem and the varieties of handloom cloth which have accumulated mostly in co-operative societies are unpopular. Government have been trying hard to revive the markets and make yarn of all varieties, especially the popular varieties, available. Though the major solution of the problem does not lie in the multiplication of agencies for internal distribution, government have concentrated their efforts on providing effective means of disposal of handloom cloth through hundreds of co-operative institutions and to produce varieties according to local needs and the demands of other countries. The denial of certain varieties to the mills has given a monopoly to the handloom weavers. In Madras, government have a well-laid-out and efficient machinery for the rehabilitation of the handloom industry. Relief schemes had been started at heavy cost to government at various centres and steps have been taken to exhibit the cloth at various emporia. A special officer well conversant with the industry was deputed to Bombay to provide a ready market. Of course the best interests of the industry will be served by exploitation of foreign markets. The experience so far gained in the disposal of stocks has been valuable and has enabled the government to adopt measures for improving the financial position of the co-operative institutions. What the industry needs is to avoid a state of stagnation and to maintain equilibrium between supply and demand.

Mr. M. S. Sivaraman, I.C.S., Chairman of the Handloom Committee, gave a comprehensive survey of the position and problems of the industry. He traced how the handloom industry is by far the most important cottage industry in Madras. According to a census conducted by government in 1945, there were 4,81,150 looms in Madras engaging 12.03 lakhs of people directly in the handloom industry, whereas the number of workers in all the textile factories in the State was only 1.05 lakhs and the number employed in all factories was only 2.79 lakhs. It is clear

therefore that the handloom industry employed more than four times the number of workers directly engaged in all the organised industries of Madras. Moreover, the prosperity of the spinning mills in the province depends on the welfare of the handlooms.

Handloom has a Place

The industry is now in a very parlous state, with the weavers on the verge of starvation. Mr. Sivaraman said the present distress is largely due to acute scarcity of yarn as a result of reduced production and larger export of yarn. Owing to the failure of the monsoon, power supply had to be cut down and production of yarn fell from a monthly average of 46,290 bales in 1949 to 40,590 bales in January 1950 and 36,177 bales in April 1950. At one stage unrestricted export of yarn to other countries had been allowed and the ban on exports imposed in December 1949 came rather late, aggravating a situation which was already bad owing to poor production. Now that the power supply is more or less restored in South India, the position of yarn supply would be better, but as exports of yarn have again been allowed from June 1950, adequate supplies of yarn are difficult. The annual consumption of yarn by handlooms in Madras State was 59.41 million pounds between 1910-21, 72.6 million pounds in 1933-34, 78.8 million pounds in 1934-35, 81.31 million pounds in 1941 and 86.40 million pounds in 1949. The comparative picture of the mill and handloom industry in the last two decades is revealing. Weaving mills of India produced 1,790 million yards in 1924-25, 3,340 million yards in 1934-35 and 4,350 million yards in 1944-45. The corresponding handloom production (estimated) was 1,260 million yards, 1,240 million yards and 1,600 million yards respectively. The net imports of foreign cloth over these years were 1,770 million yards, 940 million yards and 5 million yards in 1944-45. The point to note is that the mill production has completely replaced imports whereas handloom production has kept pace more or less with increase in population despite the tremendous spurt in mill production. With steady improvement in the standard of living, the consumption of cloth including handloom fabrics is bound to go up. There is therefore no reason to be gloomy about the future of the handloom in this country. Readers will recall that the Fact-Finding Committee which went into the question of the survival-fitness also concluded that the industry should be allowed to survive because (1) it provides employment to over 2.4 millions and directly supports over 10 millions, (2) being a labour-using and capital-saving industry, it is very suitable for reducing unemployment in a country rich in manpower but poor in capital, (3) it helps to scatter purchasing power more widely than the large-scale industry and since it is decentralised, it has military and tactical advantages.

Need for Adjustment

Though this industry has held its own against the mills and powerlooms and though handloom production is also higher, the sad fact remains that the condition of the weaver is steadily growing worse. To

maintain even this low standard of comfort, the weaver, faced with the volume of cheaper mill and powerloom fabrics, has to improve his loom. Whenever possible, he abandoned the throw shuttle loom weaving four yards a day in favour of the more efficient fly shuttle loom in which he can weave seven yards per day. The weaver today has now to work more hours when yarn supply improves, and he has to change the production to suit the changing dress styles. In short, he has to have a high degree of adaptability, which he has shown abundantly. The condition of the weaver is worse than that of the agriculturist. He caters to a demand which is largely seasonal and therefore he has to depend upon others with financial resources to purchase and stock his production. When yarn is plentiful, he sweats long hours to earn just enough to buy food for the day and yarn for the next day. Often he has no money to purchase the yarn. He obtains this on credit and is forced by circumstances to part with the cloth by the end of the day at a low price to the master weaver or dealer. Thus he passes his life without any hope of economic freedom, even though he is a fine artisan. The co-operative organisation may offer a solution to his difficulties but over 70 per cent of the weavers have not been attracted by it. The problem of the handloom weaver is therefore complicated, but it is essentially a human problem and has therefore to be dealt with sympathy and understanding.

A resolution suggesting that a handloom trade delegation should visit Indonesia and other Far Eastern countries to explore the possibility of establishing on a permanent basis markets for the handloom goods of Madras was passed at the meeting.* The Committee requested the Madras Government to exempt handloom cloth † from the levy of sales tax in the case of persons who dealt exclusively in such cloth. That government has also been requested to set apart the sales tax collected on mill-made cotton yarn for the development of the handloom industry. For a similar purpose, the Union Government was requested also to set apart 1/3rd of the excise duty collected on mill-made cloth. The need for starting co-operative spinning mills by subscribing 1/3rd of the share capital was also urged.

Another important item of discussion was about the constitution of district handloom boards which can study local problems, and bring about standardisation of fabrics by planning the quality and timing of production for each weaving centre in the district. The boards could also hold exhibitions and conduct propaganda for assisting the marketing of cloth. For this purpose, separate legislation somewhat on the lines of the Madras Commercial Crops Markets Act, 1933, might be necessary. The funds for the district committee were to be derived from legislative fee to be collected from every loom at a rate not above Re. 1 ; licence fee collected from master weavers, dealers, commission agents, etc. grants, subsidies, etc. from the provincial governments, local bodies, etc. The Committee agreed on the need for suitable legislation.

* The Government of India did not agree to this.
† This was implemented by the Madras Government in February 1951.

Yarn Supply

With regard to yarn supply, the need for revising the present policy was stressed. It was stated that about 75 per cent of the total yarn production in the Indian Union was consumed by the weaving sections of the mills, leaving about 25 per cent to be delivered to government purposes, exports, powerlooms, handlooms and others in that order. Even then no separate quota is allowed to the handloom industry, with the result that it had to be satisfied with whatever quantity was left. While 89,854 bales per month were available for consumption by handlooms, etc. in the quarter ending 31-12-1948, only 54,646 bales a month were available in the corresponding period of 1949. This was most unsatisfactory and to safeguard the interests of the weavers, the setting apart of 1 lakh bales per month is necessary. It must be remembered that partial supplies of yarn increased the cost of the cloth. A resolution was accordingly passed : " That the present policy of relegating to the handloom industry whatever quantity of yarn that is left over after meeting all other demands should be revised, if the industry is to survive." The Madras Government has been requested to move the Union Government so as to obtain 26,168 bales of yarn for Madras weavers and it suggested that 26,168 bales might be retained from the production of South Indian mills for consumption in Madras. The Committee also charged the mills with spinning unwanted counts so as to get greater profits and accordingly requested government to adjust the production programme of spinning mills by suitable adjustment of prices of different counts of yarn. The Regional Production Directorate of the Centre located at Coimbatore were requested to control the production programme of every spinning mill for this purpose. Another resolution recommended that the Central Government should not allow installation of new powerlooms either in mills or in factories.

With regard to the reservation of varieties, the opinion was that the reserved varieties were more or less the monopoly of the weaver and that therefore there was room for extending the area of reservation. The resolution adopted by the Committee said : " The reservation now made is totally inadequate, being only 36 million yards of the total production of 4,000 million yards. The field of reservation for the handloom industry which is now producing 1,600 million yards should be extended appreciably by prohibiting mills and powerlooms from weaving cloth of particular widths." To go more fully into the question, the Committee asked the Union Government to publish details of the production of cloth in mills and powerlooms intended for internal consumption in the following width groups : 36″ and below, above 36″ and inclusive of 40 inches, 40 inches to 44 inches, 44 inches to 48 inches, 48 inches to 52 inches, 52 inches to 54 inches, and above 54 inches.

The Committee also considered the progress in the purchase of handloom cloth for the requirements of governments and felt that it was unsatisfactory. It asked for the issue of instructions to all consuming departments that they may purchase suitable handloom cloth provided the price did not exceed 20 per cent over the price of mill cloth.

Powerlooms

The interests of powerlooms are often conflicting even with those of handlooms, except when the former operate under a cottage industry basis. An instance was provided when the Textile Commissioner issued the order at the end of June 1950 reserving the manufacture of coloured saris to handlooms only. More than 1,000 powerlooms in Ichalkaranji were rendered idle in this centre alone and a total of 6,000 powerlooms were stated to be affected. Further, these looms are of 45" width which made it impossible for them to be switched over to other types of cloth. The powerloom centres located at Surat, Melegaon, Bhivandi, Cambay, Broach and Sholapur were all affected and pleaded that powerlooms be permitted to turn out fine and superfine coloured saris.

Exhibitions Abroad

Samples of handloom textiles are being forwarded by the Textile Commissioner to India's Trade Commissioners in foreign countries for exhibition also in the internal fairs held this year in Chicago, Toronto, London and Paris. An Indian Cottage Industries Export Committee was formed in New Delhi in 1950 with the object of developing export of Indian cottage industry products and handicrafts to the U.S.A. A sub-committee will be constituted by the Indian Embassy in Washington which will be responsible for receipt and custody in the U.S.A. of goods sent from India, payment of customs duty and sale of goods either through its own shop or through trade channels. The Committee in India will be responsible for sanction and purchase of goods, their custody and storage in the country, dispatch of goods to the Committee in the U.S.A. and packing and insurance charges. The exhibitions of Indian textiles abroad have shown what a great interest is stimulated by attractive handloom products like furnishings, carpets, etc. in all of which the skill of the Indian artisan shines. The market for these goods can be widened by proper publicity and by adequate contacts in those countries with the consumers so as to judge the changes in trends of consumer tastes. There is a greater awareness of this aspect in official circles too, than before, and that is a heartening sign. Even so, we feel that a greater drive is necessary.

Clear Idea of Goal Essential

The Planning Commission appointed a special Panel for cottage industries which is also considering this question seriously, and we earnestly hope that they will evolve before long a *practical* scheme, for giving tangible aid to the handloom and other cottage industries. The government's outlook is changing, but it has to be changed radically, if these small industries have to be developed in the new set up of India's economy. Isolated help, here and there, will not provide the solution. A clear-cut policy for material help has to be outlined and a definite drive undertaken to make up for the lethargy of the past and to show tangible results. Extra effort and eternal vigilance are essential requisites for achieving results.

APPENDIX A

RAW COTTON IN INDIA, AND THE WORLD

(PRODUCTION, CONSUMPTION, IMPORT AND EXPORT ASPECTS)

The 1950-51 cotton season has opened with an upward movement of world cotton prices to the tune of some 20 per cent. This price increase has been stimulated by the prospect of a substantially reduced world cotton crop, and is also partly heightened by the rearmament programmes in America and elsewhere. The world crop in 1950-51 is expected to fall very much below world consumption which was 29 million bales in 1949-50. The world crop is estimated at 10.3 million bales from the United States and 16.5 million bales from elsewhere, making a total of 26.8 million bales. World cotton stocks totalled 16.2 million bales on August 1, 1950, and at the end of this season will certainly be drawn upon by two million bales.

The United States cotton policy dominates to a large extent the fate of cotton throughout the world. On the 10th October 1950, the Commerce Department of the U.S.A. decided to restrict exports of raw cotton to countries other than Canada to 3 million bales during 1950-51. In the previous season the actual total exports were 5.7 million bales. From this, the cut in supplies to dependent countries—of which there is a big queue—may be readily imagined. Moreover, the U.S. assigns quotas to many countries and to such of them 150,000 bales have been allocated. India imported nearly 400,000 bales last year and does not know where she stands in relation to the export programme of the United States. The result of American cut has been to send the purchasers to other markets like Egypt and Pakistan and recently, quite an orgy of buying has been seen in Alexandria and Karachi. Pakistan was able to dispose of the whole of her cotton crop last year without sending a bale to India. It is not to be expected that India will get any cotton this year. The prices in Egypt have been soaring, to impossible levels. East African quota will also be down by 50,000 bales.

All these affect the textile front in India and it is no use blaming the Indian mills for not having made purchases of foreign cotton earlier. In fact, the mills will retort that the government's import policy has been notable for belated decisions. The contrast with the situation ten years ago is most striking. Then we had an enormous cotton surplus even after exporting to Japan a good part of the crop. The mills could go in for cotton as they liked. Today, with the Pakistan cotton supply * completely cut off, alas ! our own cotton crop barely touching 32 lakh bales, the supply situation is really precarious to the Indian mills. The lot of the latter is unenviable. Cloth prices are controlled and are really uneconomic in many ranges of production. This uneconomic price co-

* Even under the Indo-Pakistan Agreement of February 1951, prospects of cotton supply in 1951 seem very remote.

exists with high cotton prices which have to be paid for foreign cotton and the latter is not available even at that heavy price.

The world as a whole is moving into an era of fast rising cotton consumption as against which there is no parallel or proportionate augmentation of production of raw cotton. Formerly, the world textile industry was more or less confined to Britain, America, India and Japan, while the others were just catering to the home demand and their production did not enter the world market. In 1950, the disease of self-sufficiency has affected all countries and there is probably no country worth its name today in the world which has not got its textile mills. Mills have sprung up in China, Australia, Africa, European countries, South American countries. The present is the period of increasing textile production though the total world production is still below the peaks of a decade ago. This is because the former big producers like Lancashire, Japan and India are not now producing to the peak of capacity. It is therefore clear that until there is greater international competition in cotton textiles, resulting in a lowering of world prices of piecegoods, the rising trend of cotton consumption will not be arrested.

The other phase of the problem is the question of increasing cotton cultivation. The world food shortage and the high prices obtaining for grain everywhere as well as executive control for the acreages devoted to food cultivation and cotton cultivation have set a limit to the cotton crop. Furthermore, having tasted the very high prices now available in the world markets, it will be a long time indeed before the cotton cultivator embarks on extensive cultivation, because he would much rather sow less and reap more by way of higher prices. Shortage keeps prices up and that is what all primary producers want. They would commit suicide rather than embark on all-out production, which would only ultimately bring back the days of depression when cotton and grain were burnt, to keep up prices. The present world tendency is therefore to have a short crop. Considering that other fibres, notably rayon, are being produced more and more, one would normally suppose that the supremacy of cotton is being undermined. But it is not so and at the end of 1950, we can safely say that the cotton cultivator is sitting on a high perch and would not be induced to come down for anything.

Production Trends

The production situation in 1950-51 is dominated by two important and to some extent inter-related factors, the curtailment of the area planted to cotton in the United States and the upsurge in cotton prices there and elsewhere. The 31 per cent reduction in planted area announced in July 1950 in the United States, has now been followed by the first official forecast of production, 10.3 million bales as compared with a final outturn of 16.1 million bales last season. The yield per acre this season is expected to average 265 pounds as compared with 284 pounds in 1949. At the same time, the steep and general advance in cotton prices in recent months has outstripped such advances as there have been in costs of living and the economic incentives to produce cotton

have increased generally. In the United States the price of cotton has advanced nearly 4.5 cents per pound in the last two months. This will no doubt induce more complete harvesting of the limited acreage. In connection with other areas, it has to be remembered that the current advance has been superimposed on a general advance in domestic cotton prices last season. This longer term movement has been reflected in significantly larger plantings in Mexico and Egypt, the estimated cotton areas being larger than a year earlier by 23 per cent and 17 per cent respectively. In the Indian Union, the Government has announced a maximum price for domestically produced cotton from the 1950-51 crop, which is about 24 per cent higher than that paid for the preceding crop, and this should secure substantial implementation of the larger production planned. The largest increases in production in 1950-51 may very well come from the Indian sub-continent and from the Chinese mainland where the authorities are reported to be encouraging the expansion of cotton planting by offering loans in the form of grain and other inducements.

On the whole, however, it would not seem reasonable to expect the overall expansion in plantings outside the United States to exceed last season by more than 10 to 15 per cent. The need for food production is still pressing on the agricultural resources of many Eastern Hemisphere countries and after concentration on food crops during the war and post-war years, a switch to cotton may not be accomplished very readily. Production outside the United States last season totalled about 15 million bales.

According to commercial sources late in June, 1949-50 crop in Argentina was likely to total 595,000 bales (129,000 metric tons), about 30 per cent greater than in 1948-49 and an all-time record. The fifth official estimate of 1949-50 crop in State of Sao Paulo (Brazil) was equivalent to 795,000 bales. Last season the crop amounted to 965,000 bales. Excessive rains during the harvesting season reduced both the quantity and quality of the crop.

According to a commercial despatch, unprecedented effort is being made on the Chinese mainland to expand cotton plantings so as to achieve self-sufficiency. The target for 1950-51 is 3,000,000 bales (650,000 metric tons). In Manchuria, the cotton area is reported at 700,000 acres, double the area planted a year earlier and an outturn of 56,000 tons is forecast.

The first official estimate of the area planted for the 1950-51 crop in Egypt is 1,978,000 feddans (2,053,000 acres), 17 per cent increase over the 1,692,000 feddans (1,756,000 acres) planted last year. The final official estimate of the 1949-50 crop is 1,805,000 bales as against 1,845,000 produced a year earlier.

According to unofficial estimates, the 1950-51 cotton crop in Mexico will exceed 1 million bales. In 1949-50 it totalled 980,000 bales.

Planting of the 1950-51 crop in Pakistan was completed early in June and commercial sources reported in July that the acreage is at least 10 per cent larger than in 1949-50. Some 2,866,000 acres were planted

last season and 1,020,000 bales of cotton were produced. The condition of the 1950-51 crop was reported to be good in the latter part of July and an increased outturn of possibly 120,000 bales (150,000 bales of 400 pounds) over 1949-50 is predicted.

The 1949-50 cotton crop in Peru is estimated at 275,000 bales from 296,000 acres as compared with 309,000 bales from 370,000 acres in the preceding season. The production of Tanguis cotton this year is about equal to that of other recent years and the quality is reported to be good.

The Pima crop suffered from inadequate supplies of water in the irrigation system and is estimated at only 25,000 bales compared with 65,000 last year.

The estimated area planted to cotton for the 1950-51 crop in Turkey is 400,000 hectares as compared with 365,000 hectares in 1949-50. The expansion is general but most marked in the Aegean (Izmir) and Cukurova (Adana) regions. The widespread use of tractors in the latter named region is reported. In one of the minor cotton growing regions, Antalya, cotton has replaced rice growing as a result of an anti-malarial campaign. Last season the crop totalled 445,000 bales and tentative estimates for the season now beginning range upto 570,000 bales (124,000 metric tons).

The Indian Crop, 1950-51

According to the Chairman of the Indian Central Cotton Committee cotton production in the Indian Union during 1950-51 is expected to be higher by 20 per cent as compared with that in the previous season. It may be noted that in the previous season, the output was estimated at about 29 lakh bales. On this basis, production in 1950-51 may be placed between 32 lakh bales. At the 1950 Central Cotton Committee meeting, the Chairman, Mr. Datar Singh, revealed that overall target for increasing production in 1950-51 would amount to 5.97 lakh bales. Despite heavy rains in some parts of the country, he stated that the current season's cotton crop was fairly satisfactory. He also emphasized the need to augment the output of cotton further in the Indian Union in 1951-52 in view of the cotton shortage prevailing in the world at present time. The target was fixed at 4 million bales.

Indian Cotton Stocks

	1948–49	1949–50 (11 months)	1950–51 (Estimated)
Carry over ...	15,76,002	12,64,754	12,00,000
Cotton Consumption :			
Indian ...	31,23,915	23,47,537	30,00,000
Pakistani ...	4,10,956	2,10,262	...
Egyptian and other foreign ...	7,19,765	8,48,000	6,00,000
Total ...	42,54,636	33,97,399	36,00,000

World Cotton Crops

Year	America (Linters included)	India	Egypt	Russia	China	Others	Total
1939–40 ..	13,147	(a) 4,909	1,738	4,050	1 900	5,155	30,899
1940–41* ...	13,966	(a) 6,080	1,896	4,300	2,300	4,442	32,689
1941–42 ..	11,844	(a) 6.223	1,650	4,000	2,400	5,060	30,772
1942–43 ..	...	(a) 4,702	...	...	...	—	...
1943–44 ..	...	(a) 5 259	...	...	...	...	...
1944–45 ..	11,900	(a) 3,498	960	2.500	800	4,386	24,044
1945–46 ...	8,655	(a) 3 530	1,080	2,200	600	3 950	20,015
1946–47 ..	8,526	(a) 3 566	1,210	2,600	500	3,875	20,277
1947–48 ...	11,300	(a) 2,116	1,400	2,950	1,000	5,674	24,440
1948–49 ...	14,700	(a) 1,864	1,800	2,500	400	5,568	26,832

(*a*) Exclusive Burma. * 400 lb. bales

Cotton and its Economics

Cotton is universally known as an international textile fibre possessing unique properties. The best types are produced in sub-tropical countries, although it can also be grown in tropical areas. Climatic conditions exert a great influence on the quality, and adequate rainfall is necessary for satisfactory cultivation. Cotton has now been standardized to so great an extent that the users can have a choice of almost any quality required for their various needs. These different characteristics are length, strength, regularity of staple, colour and softness.

The chief producing countries are the U.S.A., the Union of India, Pakistan, Soviet Union, Brazil, China, and Egypt, although it is also grown in 14 other territories on a fairly large scale. U.S.A., India, Pakistan, Brazil and Egypt represent the main sources for world trade. The quantities produced in Russia and China are generally consumed internally, although varying quantities have been sold abroad from time to time. The chief importing countries before the war were Japan and the U.K. which between them accounted for almost half of the world's total imports. The remaining principal importers were largely European countries. The longest and finest staple cotton, excluding the specialised Sea Island (West Indies) varieties which are considered super qualities, are produced in Egypt, while the medium qualities are produced in the U.S.A. and Brazil. The coarse and short-staple varieties are produced mostly in India. Between these two extremities lie the rest of the varieties grown in the different countries. The Egyptian varieties which are reputed for their length of staple and fineness of quality come next to the Sea Island ; next in order to the Egyptian types comes the group of American cottons grown in America, Sudan, East Africa and other countries. The bulk of the cotton trade of the world is in relation to this group of American cottons. The cottons of Brazil and other South American countries are partly of the American type and partly of the Bourbon types. It is considered that these styles are the real competitors to the American product. Little is known of the Russian and Chinese cottons though in respect of the bulk of their crops they occupy positions of importance. Russia is reported to have suc-

ceeded lately in growing cotton of natural colours like grey, green, etc. Cultivation of these coloured cottons on a large scale is not reported.

The Dominion of India is now the third largest cotton producing country in the world. The present area under cotton in India is about 43.4 per cent of the area under cotton in the U.S.A., but the production is about 10.5 per cent of the U.S.A. crop.

World Production, Consumption and Carry-over

The total cotton production in the world in 1949-50 was 30.9 million bales, as compared with 28.8 million bales in 1948-49 and 29.5 million bales in 1938-39. The consumption of cotton in 1949-50 was 29.2 million bales as compared with 28.4 million bales in 1948-49 and 30.5 million bales in 1938-39. The carry-over of world's cotton in 1948-49 (July 31st) was 16.2 million bales, as compared with 14.9 million bales in 1948-49 and 23.5 million bales in 1938-39.

The 1949-50 carry-over is equivalent to about 7 months' consumption at the current rate.

The world output of cotton in 1950-51 is likely to be higher, the acreage being also larger.

The following table shows the relative importance of India as a producer of cotton in respect of acreage and yield, for the past 10 years :—

Year	Area (in 000 acres)			Production (in 000 bales)		
	India	U.S.A.	Egypt	India	U.S.A	Egypt
1937-38 ...	25,476	33,623	2,033	5,722	18,945	2,281
1938-39 ...	23,490	24,248	1,830	5,051	11,944	1,728
1939-40 ...	21,580	23,805	1,675	4,909	11,816	1,801
1940-41 ...	23,311	23,861	1,735	7,080	12,565	1,900
1941-42 ...	24,151	22,236	1,706	6,223	10,742	1,735
1942-43 ...	19,203	22,602	733	4,702	12,820	877
1943-44 ...	21,086	21,652	740	5,258	11,128	740
1944-45 ...	14,843	20,009	885	3,580	12,230	962
1945-46 ...	14,668	17,241	1,020	3,530	9,015	1,082
1946-47 ...	14,860	18,190	1,259	3,566	7,400	1,252
1947-48* ...	10,655*	21,269	1,302	2,188*	11,658	1,320
1948-49 ...	11,293	22,678	...	1,767	14,649	1,845
1949-50 ...	11,793	27,230	...	2,165	15,921	1,805

* Figures from 1947-48 relate to Indian Union only.

The production of cotton in U.S.S.R. in 1949-50 was 2,700,000 bales as compared with 2,600,000 bales in the previous year.

Cotton—A Cash Crop

The common crops of India fall into two groups: those grown chiefly for sale which may be termed the cash crops, including cotton and other fibres, sugarcane, wheat and oilseeds; and crops grown for

food, especially rice, jowar, etc. Quality is an important factor in the cash crops (but it is impossible to define it fully), while nutritive value is more important for the food crops. The cotton crop has been on the decline since 1941-42. The total area under cotton in the Indian Union in 1948-49 was 11,293,000 acres of which 50 per cent roughly were under improved varieties. The area in 1949-50 was 11,793,000 acres and yield 2,165,000 bales.

India, which enjoys the distinction of being the birthplace of cotton, grows at present mostly short and medium stapled * cotton, the finer and longer stapled varieties being mainly confined to Egypt and America. The several varieties grown in India can be grouped under two principal classes, viz. (i) the Asiatic, and (ii) the American. The area under Egyptian types is practically negligible. The bulk of Indian cotton crop is of the Asiatic class and only a fraction belongs to the American group.

Cotton under Irrigation

A rough idea of the cotton acreage under irrigation may be obtained from the following statistics which are available upto 1937-38.

	Acres
Total irrigated area in India in 1937-38 under *all crops*	52,833,000
Total area under cotton in 1937-38	25,746,000
Total irrigated area under cotton in India, in 1937-38	4,555,840

In 1943-44 the *total* area under irrigation was approximately 66,000,000 acres.

On an average, the production of irrigated crops per acre is 50 to 100% higher than that of unirrigated crops which form about 4|5ths of the cultivated area. It is roughly estimated that the provision of irrigation facilities alone can increase crop production by about 60 per cent, † and what is true of the crops generally, would also hold true of cotton.

An increase of the area under irrigation would doubtless make a tremendous difference in the yield of cotton per acre.

Out of the total area of 10.9 million acres under cotton in the Indian Union in the 1947-48 season, only 0.6 million acres were under irrigation.

Varieties of Cotton in India

The *Asiatic varieties* are grown all over the country. They are hardy and thrive under the most varied conditions of climate and soil. The various types included in this class are as follows :—

* "Staple" may best be defined as "the average length of the bulk of the fibres of the cotton". It is usually found by taking a tuft of cotton and after removing the short fibres by drawing the same between fingers and thumbs, measuring the average length of the fibres remaining.

† *Vide* Memorandum on the Development of Agriculture and Animal Husbandry in India of the Advisory Board of the Imperial Council of Agricultural Research, 1944.

Bengals: This is a general name given to a number of varieties grown over the whole of Northern India, from West Bengal to Punjab (India). As a class Bengals are the shortest stapled cottons, ranging from $\frac{3}{8}''$ upwards, with a general average of $\frac{5}{8}''$.

Uttar Pradesh has developed an improved strain with a staple of 0.74″ known as C.520. This is being multiplied and distributed. The Punjab too has evolved Sanguineum, Mollisoni and Jubilee strains suitable for its *desi* cotton areas.

Oomras: This is the trade name given to cottons produced in Madhya Pradesh, Khandesh, Saurashtra, Nasik and Sholapur. The best known varieties of this group are *Jarilla* and *Verum* 434. An improved strain 197-3 superior to Jarilla has been evolved, but is still under experimentation on cultivators' fields.

Malvi is grown in Central India.

Dholleras: This is composed of Wagad, Lalio, Wagotar and Mathio, all grown in Northern Gujarat and Saurashtra. A new variety named *Pratap* has been evolved for the *Mathio* tract. A new strain, viz. Kalyan (K.72-2) superior to Wagotar is being distributed now in the Wagad area.

Broach: This is the cotton grown between Narmada-Mahi and Mahi-Sabarmati zones. It is reputed to be one of the finest indigenous cottons and the improved strain under distribution is *Vijaya*.

Surti: This variety is grown south of the river Narmada. The well-known 1027 A.L.F. that was given out by the Agricultural Department has been replaced by a more suitable strain named *Suyog* which combines high ginning, resistance to wilt disease and good spinning qualities.

Southerns is the trade name for the group of cotton grown in the southern part of the peninsula.

Kumptas: This is the cotton grown in the southern part of the Bombay Presidency. *Jayawant* is the reputed strain that is distributed. It is one of the best indigenous cottons. A new strain named *Jayadhar* superior to *Jayawant* has been evolved and plans are under way to extend its cultivation.

Westerns, Northerns and Coconadas: These varieties constitute one of the biggest groups of Indian cottons but unlike in other parts, the Department has made little headway in pushing its improved strain N14 in Northern tracts, although it is mentioned that the latter is one of the best cottons in India. H-1 covers the whole of the Western area. G-1 for Colorados area and 881F for Western area are under experimentation.

Tinnies and Karungannies of the extreme south of the peninsula, form a group of medium stapled varieties.

Comillas of Tripura and Assam are perhaps the coarsest cottons. These are grown under primitive conditions of cultivation, on the hills near Burma border.

Americans : The introduction of the American varieties into India may perhaps be traced to the days of the East India Company when mostly New Orleans types were obtained and strenuous efforts made to acclimatise them in different parts of the country. The results of those successful efforts may be found in the development of Punjab American in the north and Dharwar American in southern Bombay and Cambodias in the South India. In the Punjab (India) 21 per cent of the total area of about 3,15,000 acres is under American varieties. These are 4F, L.S.S. and 216F (Hariana) cultivated in Ferozepur and Hissar districts. Among the *desis* 39 Mollisoni and M60 A2 are grown in Jullunder, Hoshiarpur, Ferozepur and Hissar districts.

Buri is the American cotton grown in Burhanpur tahsil (Madhya Pradesh). Besides Buri, there is a good deal of Cambodia grown in the State. Dharwar-American is one of the three American cottons originally acclimatised in India. Gadag 1 is the strain under distribution. A new strain of Laxmi superior to Gadag I had been evolved and plans are under way to extend its cultivation. In the South, the famous Cambodia, originally introduced from Cochin-China is grown. Co2, Co3, Co4, are the quality strains evolved. The latter two are said to be the best cottons available in India. Co3 is capable of being spun to 50s Warp.

The following table gives the relative merits of some of the improved strains in the Union of India as regards staple length and ginning percentage : —

C.P.			MADRAS		
	Staple	G%		Staple	G%
V. 434	13/16″	32	Co.2	1″	35
Buri 107	15/16″	28	Co.3	1″	36
Jarge	13/16″	35	Co.4	1.1/16″	33
UTTAR PRADESH			BOMBAY		
G. 520	5/8″	30	1027 A.L.F.	15/16″	35
Perso American	25/32″	32	Jarilla	13/16″	35
			Jayawant	7/8″	28
PUNJAB (India)			Gadag	7/8″	33
			Vijaya	7/8″	42
L.S.S.	7/8″	31	Suyog	15/16″	38
216 F	7/8″		Wagotar	13/16″	42
			Jaydhar	...	...
			Laxmi	...	...

Production of Cotton by Varieties in the Union of India

We give below the estimates of areas and yield of cotton classified according to the trade descriptions for the years 1948-49 and 1949-50 : —

FINAL ESTIMATE COTTON CROP—1948-49 AND 1949-50

(000's omitted)

Description	Acreage		Yield in bales	
	.1948-49	1949-50	1948-49	1949-50
Bengals	727	837	217	317
Americans	215	293	37	81
Oomras	4,067	3,900	508	449
Broach	512	548	63	154
Surti	384	441	54	102
Dholleras	732	1,017	114	280
Others	4,656	4,757	774	782
Total ...	11,293	11,793	1,767	2,165

The following table shows raw cotton production in India from 1938-39 to 1950-51 :—

RAW COTTON PRODUCTION IN INDIA

Official Estimates.

(Acreage and Yield)

—	Area (In thousands of acres).	Out-turn (In thousands of bales).	Yield (per acre in lbs.)
1938-39 (pre-war)	23,490	5,051	86
1939-40	21,580	4,909	91
1940-41	23,311	6,080	104
1941-42	24,151	6,127	101
1942-43	19,203	4,702	98
1943-44	20,938	5,258	100
1944-45	14,803	3,580	97
1945-46	14,668	3,530	96
1946-47	14,860	3,566	96
1947-48 (Union of India) ...	10,656	2,188	80
1948-49 („) ...	11,293	1,767	61
1949-50	11,793	2,165	72
1950-51	12,000 (approx.)	3,200 (approx.)	...

Establishment of the Indian Central Cotton Committee in 1921

A great deal of the improvement effected in Indian cottons is due to the Indian Central Cotton Committee which was established in 1921 to improve the quality of Indian cotton in particular and to promote the cause of cotton cultivation in this country in general. The Committee has rendered signal service in the direction since its inception. Its chief functions were (i) to advise the Central and State Governments on all questions on cotton referred to it, and to suggest suitable mea-

sures for the improvement and development of the industry, (ii) to finance and to direct research work on the problems connected with the improvement of Indian cotton including investigations into the relationship between the cotton plant and its environment, the diseases and pests of cotton and the lint qualities of the existing as well as newly evolved types, (iii) to finance schemes intended to bring into general agricultural practice the results of economic importance obtained from research, and (iv) to finance schemes, wherever possible, for extension of long and medium staple cottons of improved variety and their marketing.

Funds of the Indian Central Cotton Committee must be augmented

The funds of the Indian Central Cotton Committee are derived mostly from the cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in the Indian Union. Until the entry of Japan in the last war the Central Cotton Committee enjoyed a sound financial position with an income of 6 to 8 lakhs of rupees per year. With the entry of Japan the receipts from the cess fell off considerably and the Committee drew upon its surplus balance to continue its programme of activities. As the surplus got depleted, the Committee recommended to Government in 1945 that the rate of the cess should be doubled. Before doing so, however, the Government of India decided to make a grant from the "cotton fund" which was specially built from the proceeds of the import duty on raw cotton imposed by the Cotton Fund Ordinance, 1942.

The Government of India decided in August 1948, however, that in order to enable the Committee to have a permanent source of income, it was necessary to double the rate of cess on cotton and to permit the Committee to continue to receive the grant from the cotton fund. The Government, therefore, passed an Act in the Constituent Assembly in September 1948, seeking to increase the rate of cotton cess from 2 annas per bale to 4 annas per bale. They also amended Section 12 (2) of the Indian Cotton Cess Act which at present precludes the Committee from spending any moneys received by it on development schemes.

With the passage of this Act, the amount of the cess, namely, 4 annas per bale, is calculated to bring a revenue of about Rs. 9,00,000 per year. We feel that this amount is all too inadequate for the Indian Central Cotton Committee and we strongly suggest to the Government of India the desirability of placing at the disposal of the Committee a grant of Rs. 25,00,000 per year. There is no doubt that the Committee has done valuable work in improving cultivation of cotton, and if it is allowed to continue its constructive activities for the promotion of cotton research, it will pay the country many times over in the years to come. Compared to the amount spent in the U.S.A., the amount now being spent in India by the Government on cotton research, and looking to the size (21,00,000 bales) and the value (Rs. 77 crores) of the cotton crop of the Dominion of India, the grant of Rs. 25,00,000 per year on cotton research will work out to less than 1/3rd per cent of the value of the present crop. The

Committee has before it several urgent schemes of research, and the problem of research has gained greater importance after the separation of Pakistan from India, due to the urgent necessity of growth of long staple cotton in larger quantities from within the Dominion of India.

It is gratifying to note that in February 1949, the Government of India made a grant of Rs. 30 lakhs to the Committee.

Great Benefit to Cotton Agriculturists

From a dispassionate review of the work of the Indian Central Cotton Committee, which has been highly spoken of by the Royal Commission on Agriculture in India and other competent bodies, it would not be incorrect to claim that the Central Cotton Committee has paid for itself many times over and that the gain to the cotton cultivator in the Indian Union in 1948-49 can be put down at the modest figure of Rs. 4.4 crores. In fact, the extra income obtained by the grower during one year (1948-49) alone was twice the total expenditure incurred by the Committee since its inception on cotton research to date. In 1949-50 India, as has been shown elsewhere, imported foreign cotton of the value of Rs. 64 crores. It is absolutely essential, in the interest of self-sufficiency of India, to cover the vast areas in India with improved varieties of long staple cotton, and for this purpose nothing can yield better results than promotion of cotton research for evolving better types of cotton and extending the area under improved strains within the Dominion of India.

In 1949-50, the Indian mills depended on Pakistan cotton to the extent of 2.0 lakh bales. This was in addition to the consumption of 9.4 lakh bales of overseas cotton during the season 1949-50.

We fervently hope that the Government of India will give their careful attention to this question of earmarking and placing at the disposal of the Central Cotton Committee funds to the extent of Rs. 25,00,000 per year for promotion of cotton research and development work.

Legislation and Central Cotton Committee's Work

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Control Act, the Cotton Ginning and Pressing Factories Act, the Indian Central Cotton Committee has endeavoured to maintain the standards of quality of cotton grown, to prevent adulteration with inferior types and to discourage the various malpractices which at present occur in a certain number of ginning and pressing factories. All these measures have prevented great economic loss to the whole country most of which fell heavily on the grower. The Committee has also succeeded in preventing growers from being defrauded when marketing their produce by urging on the Government of Bombay to pass the Bombay Weights and Measures Act, by which weights and measures have been standardized for cotton transactions in various places. The Committee realized early that for the

benefit of the cultivators it was necessary to have regulated open markets for cotton in the country, and their efforts in this direction have been crowned with success by the establishment of such markets in the States of Bombay, Madhya Pradesh, Madras, Hyderabad, Punjab and Madhya Bharat. Jointly with the Imperial Council of Agricultural Research, the Committee financed an enquiry (costing Rs. 5,22,200) into the cost of growing cotton, sugarcane and their rotation crops in the principal cotton and sugarcane tracts of India. The Committee also directed its efforts towards the ensuring of greater accuracy in cotton statistics. But above all, the Committee conducted various scientific enquiries and practical researches on the improvement of Indian cotton by the judicious hybridization of existing strains, by the naturalization of imported ones, by the eradication of undesirable ones, by the control of cotton diseases and pests and the prevention of bollweevil by the fumigation of American cotton before entry at Bombay, which incidentally is the only port from which American cotton can be imported. Most promising results have so far been obtained from these scientific investigations, and the Committee has all along been carrying on persistent propaganda to advise the grower on suitable varieties of cotton and to show him how it will give him better monetary return than short-staple cotton. Technological research essential to securing authoritative valuation of spinning qualities of cotton and to carrying out fundamental researches on the physical and chemical properties of cotton fibres is carried out at the Technological Laboratory of the Committee at Matunga (Bombay). Simultaneously, the Committee is sparing no means to popularize the use of improved varieties of Indian cotton both here and abroad and for this purpose it has been working in co-operation with the Empire Cotton Growing Corporation, the British Cotton Industry Research Association, the Lancashire Indian Cotton Committee and similar other bodies.

Under the provisions of the Cotton Control Act, the Bombay Government have assumed powers to fix in any area varieties of cotton which may be cultivated, and to prohibit the cultivation of other varieties. This Act was applied from November 1944 to the Khandesh Division where Jarilla variety is the only type allowed, and the growth of any other cotton is prohibited.* The application of the Act has been withdrawn from the 1950-51 sowing season.

As a result of the joint efforts of the Indian Central Cotton Committee and the Agricultural Departments, a marked change has taken place in the character of the Indian cotton crop, particularly in the percentage of short and medium staple. The proportion of cotton of staple length 7|8" and above to the total production increased from 30 per cent in the quinquennium 1922-27 to 48 per cent in the quinquennium 1939-44; the proportion in 1946-47 was 65 per cent against 67 per cent in 1945-46, and 66 per cent in 1944-45.

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* *Vide* "Agricultural Situation in India", for May 1948, published by the Ministry of Agriculture.

Let us now see the average yield of cotton in India :—

India :		Yield of cotton per acre
Average	1924–27	92 lbs.
,,	1942–46	112 lbs.
,,	1946–47	114 lbs.
,,	1947–48 (Union of India) ...	117 lbs.

The average yield per acre has risen from 92 lbs. in 1924-27 to 112 lbs. in 1942-45 and in 1947-48 it was 117 lbs. Compared with other cotton growing countries, the yield per acre in India is still extremely low and is capable of very great improvement. The average acre yields in other cotton growing countries (1946) for purposes of comparison with our own are given below † :—

	Year				
			Peru	359	lbs.
Egypt	1920	320 lbs.	Anglo-		
... ...	1937	531 ,,	Egyptian ...	313	,,
... ...	1946	462 ,,	Sudan		
... ...	1947	442 ,,	Argentina	152	,,
U.S.A.	1920	187 ,,	Soviet Union ...	322	,,
... ...	1937	266 ,,	Brazil	127	,,
... ...	1946	269 ,,	Uganda	80	,,
... ...	1947	265 ,,	Br. West Indies ...	120	,,

Long-stapled Cotton in India

We have already referred to the successful efforts of the Central Cotton Committee in the introduction of several improved varieties of cotton. The continuation of the war and the demand for increased quantities of stapled cotton gave a great stimulus for the spread of the better varieties. This was particularly noticeable in the Oomras tract where the new type, Jarilla had swept off practically all the inferior types and occupied a phenomenal area of over 20 lakh acres in almost record time. The area under the improved varieties in undivided India shot up from 5,663,000 acres, or 24 per cent of the total cotton acreage in 1938-39 *to* 8,320,000 acres or 56 per cent of the total in 1946-47.‡

The area under improved varieties of cotton in the Indian Union in the 1947-48 and 1948-49 seasons was 5,148,000 and 5,362,195 acres, or equivalent to 47 and 49 per cent of the total area.

Jarilla Cotton

The noteworthy features of the Jarilla cotton are that it is resistent to the wilt disease, is medium stapled, the range of lint length being ¾″ and ⅞″ capable of spinning 24s warp compared with ½″ staple and 10 to 12s spinning capacity of the susceptible local mixed Oomras crop. Besides, it is said to be a hardy type which can withstand drought conditions and early maturing. It cannot thrive equally well in areas receiv-

† *Industrial Fibres*—C.E.C., London, 1948.
‡ *Vide* I.C.C. Report for 1947, p. 50.

ing a heavy rainfall. As a result of efforts made, a suitable variety, viz. 197.3 has been evolved which can stand heavy rain and the cultivation of this type is being extended.

The multiplication and distribution of pure Jarilla seed have been taken up by the Agricultural Departments with the aid of funds provided by the Central Cotton Committee. The area under Jarilla in 1948-49 was estimated at about 248,000 acres. The spread of Jarilla in Madhya Pradesh has been even more phenomenal ; it was 1,346,000 acres.

Development of Cotton in Bengal

In Bengal, where practically the whole of the cotton growing area is under a coarse type known to the trade by the name of Comillas (G-*cernuum*), the Committee had financed a breeding scheme for the improvement of the commercial characters of *cernuum* cotton by the isolation of a coarse, high ginning and good yielding strain, suitable for mixing with wool. The Committee is also giving assistance in connection with a scheme financed jointly by the State Government and the Millowners' Association, Bengal, for investigating the possibilities of growing long staple cotton in certain highland areas of Bengal. The varieties of cotton being tested are the acclimatized American and the Egyptian cottons. Dacca Parbhani is said to stand up to the conditions obtaining in Bengal quite well and is reported to have given satisfactory results both in respect of yield and quality during the past three years. During 1942-43, this variety is reported to have given at two centres, on an average 740 lbs. and 620 lbs. of Kapas per acre.

The question of extending the area suitable for cotton cultivation to West Bengal is being re-examined and a scheme is being formulated.

More Long Staple Cotton Development in Madras

As a result of all these efforts of the Indian Central Cotton Committee the staple length of the Indian cotton has been continually on the increase. Not only that, production of cotton of longer staple has also made rapid strides in recent years.

The present position is that we have improved strains of cotton developed for almost all the cotton tracts of India and a stage has now been reached when we feel that the present efforts at multiplication and distribution of these varieties should be speeded up so that all the areas are covered by them completely in as short a time as possible. There is otherwise the danger of all this good work of several years being spoilt by the inevitable mixing with the inferior *desi* cottons that are so unfortunately persisting in all parts of the country. Single strain blocks should be created and maintained. Mixing of different varieties before the cotton reaches the mills should be made a penal offence. This is an urgent necessity of the industry, and we suggest that it should receive immediate attention.

In 1948, the Indian Central Cotton Committee prepared several schemes for improving cottons in Madras, one of which dealt with the

evolution of long staple cotton in the Central districts and the trial of Sea Island cotton in the West Coast districts.

The Ministry of Agriculture appointed a Cotton Marketing Committee to suggest ways and means of improving the marketing of cotton. The Committee submitted its report in 1950 in regard to the methods of benefiting cultivators of cotton by reducing the links between the grower and the textile mills.

Cotton Seed

The bulk of cotton seed is fed to cattle in India. The experiments financed by the Indian Central Cotton Committee have shown that so far as quality of the milk, ghee and butter produced by the group of animals fed on fuzzy cotton seed is concerned there was no distinguishable difference in taste or palatability from similar products from the buffaloes fed on ordinary rations. It was also proved that the feeding value of fuzzy seed is greater than that of ordinary seed.

Consumption of Indian Cotton by Mills in India

There is a great increase in production of Indian mills and there is difficulty in obtaining Indian cotton in recent years. The consumption of Indian cotton in the cotton year ending August 1946 was 3,871,000 bales, while for the year ending August 1945, it was 4,159,000 bales, and 4,119,000 bales in 1943-44, 4,307000 bales in 1942-43 and 4,025,000 bales in 1941-42. The consumption of Indian cotton during 1946-47 was 3,215,000 bales.

The consumption of Indian and Pakistan cotton in mills in the Indian Union in 1947-48 was 3,573,000 bales of 392 lbs. each and in 1948-49 it was 3,52,902 bales.

The consumption of Indian and Pakistan cotton in the Bombay Island during the year 1948-49 was 939,000 bales, as compared with 1,006,000 bales in 1947-48.

Statistics of Stapled Cotton in India

The following table shows the different staple lengths of the cotton produced in this country during the past 10 years :—

	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48*	1948-49
Total	4,909	6,080	6,223	4,702	5,258	3,580	3,530	3,566	2,116	1,684
Long staple over 1 inch ...	66	94	156	273	372	187	83	2,318	386	335
Long staple 1" & Medium staple ⅞ inch ...	1,794	2,151	2,690	2,617	2,941	2,165	2,287			
Short staple below ⅞ inch ...	3,049	3,835	3,377	1,812	1,945	1,228	1,160	1,248	1,730	1,529

* Relates to Indian Union only. † In bales of 392 lbs. net.

With the partition of the country in August 1947, large tracts growing mainly long and medium staple cottons fell in the territory of Pakistan, and as a result, in so far as the production of cotton of the Indian Union alone is concerned, there was a drop in the percentage of long and medium staple cottons as compared with the total crop of the Indian Union. Further, on account of re-classification of Indian cotton, which became necessary in view of the changes that had taken place in the character of the cotton crop of the country in recent years, and which was given effect to in March 1948, certain varieties of cotton which were previously included under the group $\frac{7}{8}''$ and above, have now been relegated to the group below $\frac{7}{8}''$. As a result, the production of cotton of staple length $\frac{7}{8}''$ and above (under the revised definition) has gone down to 386,000 bales.

Imports of Raw Cotton in India

The volume and character of supplies of foreign cotton in India have been fluctuating during the last seven years in accordance with the changing war situation, the varied acreage and crop policies adopted by the producing countries, the size of their crops and the availability or otherwise of shipping facilities, and since August 1947, due to the separation of Pakistan. The total imports of foreign cotton by sea were lowest in 1943-44 (being 76,102 tons as compared with 87,575 tons in 1942-43). During 1944-45, 1945-46, 1946-47, and 1947-48, the imports were 89,717, 86,009, 113,002, and 99,044 tons respectively. The value of the imports was 24 crores of Rupees in 1944-45, Rs. 22 crores in 1945-46, Rs. 25.9 crores in 1946-47, and Rs. 31.2 crores in 1947-48 (*vide* Table No. 3).

In bales, the imports of raw cotton in 1948-49 were 9,06,000 and in 1949-50, were 9,07,000.

In view of the great decline in production of cotton within the Union of India, and the large consumption by her mills, the 1949-50 season opened with stocks at an unprecedentedly low level, and unless the production increases greatly, an even larger import will be necessary from Egypt or Pakistan, to maintain consumption at the present level. The import from Pakistan is likely to be small, due to the devaluation of the Indian Rupee in terms of the Dollar, from September 1949, particularly because Pakistan has not devalued her currency, and therefore that cotton has become dearer in price.

Duty on Imported Cotton

The present duty on imported raw cotton is 0-2-0 per lb.

Indo-Pakistan Agreement

In any case, it will be long before India can produce enough quantities of these finer varieties and as such it seems that for a long time India will have to depend on imported cotton from Africa and America, since Indo-Pakistan commercial relations are strained. Although an

agreement was concluded with Pakistan in June 1949 for supply of 6½ lakh bales of cotton, it is doubtful whether more than 2 lakh bales will actually arrive for various reasons, political and commercial. The devaluation of Indian currency from 19th September 1949 caused further difficulties in imports of Pakistan, and Government of India decided not to import any cotton from Pakistan.

During 1949-50, India had an agreement with Pakistan to import 4½ lakh bales, but it was not implemented. Let us hope that at least under the latest agreement (February 1951) some cotton will be forthcoming in 1952.

If destinational quotas are introduced during the period of the agreement from 26th February 1951 to 30th June 1952, Pakistan agrees to give India a quota of 4 lakh bales in the cotton season 1951-52.

The estimated capacity of production of cotton in Pakistan was about 16.7 lakh bales, of which 13.8 lakh bales represent long and medium staple and 2.9 lakh bales short staple. The estimate for 1949-50 was only about 9 lakh bales, as compared with 8½ lakhs in 1948-49. The acreage is about 30 lakhs.

The following table shows the consumption of cotton—Indian and Foreign—in mills from 1941-42 to 1948-49 : —

Consumption of Cotton (Indian and Foreign) in Mills in India

Period	Indian Cotton	Foreign Cotton	Total
	(Bales of 400 lbs. each)		
1941–42	4,025,395	571,222	4,596 617
1942–43	4,306 831	568,170	4,875,001
1943–44	4,119,461	664,468	4,783,929
1944–45	4,158,664	685,212	4,843,876
1945–46	3,871,022	604,650	4,475,672
1946–47	3,150,852	708,370	3,859,222
1947–48*	3,573,207	516,245	4,089,452
1948–49*	3,152,606	1,077,414†	4,230,020

Exports of Raw Cotton

It is well known that with the entry of Japan into the war, cotton exports from this country had been badly affected. This will be borne out by the following figures. The total exports declined from 2,348,000 bales in 1939-40 to 2,013,000 bales in 1940-41 and 873,000 bales in 1941-42. They dwindled sharply to only 160,000 bales in 1942-43. In 1943-44 the total exports were 383,000 bales and in 1944-45, 409,000 bales. They increased to 1,038,000 bales in 1945-46, and fell in 1946-47 to 1,008,000 bales. In 1947-48, the exports from the Indian Union only amounted to 951,000 bales, and indeed in 1948-49, fell to 426,000 bales. The exports to U.K. also declined from 555,000 bales in 1941-42 to 115,000 bales in 1942-43. In 1943-44 and 1944-45 exports to U.K. were 243,000 bales and 188,000 bales, in 1945-46, 131,000 bales, in 1946-47, 195,000 bales, and in 1947-48, 79,000 bales. The value of exports of raw cotton during 1944-45 was 6.9 crores of rupees, in 1945-46, 13.9 crores of rupees, 1946-47, 22.5 crores of rupees and in 1947-48, 24.7 crores of rupees. (*Vide* Table No. 4.)

* Relates to Indian Union only. † Includes Pakistan cotton.

Cotton Exports from India—Restriction of Export from 1948

We give below a table showing the number of bales of cotton exported out of India from 1938-39 to 1949-50 :

1938-39	...	...	3,274
1939-40	...	...	2,340
1940-41	...	...	2,013
1941-42	...	...	873
1942-43	...	...	160
1943-44	...	...	383
1944-45	...	...	409
1945-46	...	...	1,038
1946-47	...	...	1,005
1947-48*	...	...	951
1948-49*	...	...	426
1949-50*	...	...	220

Since the 2nd April 1948, the Government of India banned the export of raw cotton except the four short staple varieties—Bengal Deshi, Mathia, Assams and Comillas. In August 1948, the Government of India reviewed the existing restrictions on the export of raw cotton and decided to continue for the present this ban which was brought into effect from April 1948.

With effect from the 15th March 1949, the Government of India decided not to issue licences for the export of raw cotton except to hard currency countries. In 1950-51, the export was about 2 lakh bales.

Fixation of Floor and Ceiling Prices of Indian Cotton since 1948

It was in August 1948 that the Government of India decided to control prices of raw cotton. They fixed the floor prices of 1948-49 Jarilla of 25/32″ staple at Rs. 495, and ceiling at Rs. 620 per candy. The Government also announced their intention on 1st September 1948 of purchasing cotton at the floor prices in the interest of cotton growers.

In August 1950 the Government of India made an announcement fixing higher floor and ceiling prices for Jarilla of 25/32″ staple for 1950-51 (*vide* "Cotton Industry at a Glance", page xxvii) for cotton prices for 1950-51. It should be noted here that the prices for cotton were fixed in relation to the prices for foodstuffs, in order not to disturb the plans for increased food production in the country.

Due to devaluation of India's currency, to the extent of 30½ per cent from 19th September 1949, and the higher prices of foreign cotton, prices naturally have had to be revised.

* Relates to Indian Union only.

Mill Consumption of Indian Cotton from 1931 to 1949

The table below shows the percentage of Indian cotton consumed by mills during the past few years :—

Year	Quantity of Indian Cotton Consumed by Mills (In 000 bales of 400 lbs.)	Percentage to total Crop of Cotton in India	Total Quantity of Cotton Consumed by Mills in India (In 000 bales of 400 lbs. each)
1931–32 ...	2,346	58.6	2,911
1932–33 ...	2,361	51.1	2,837
1933–34 ...	2,336	46.2	2,704
1934–35 ...	2,612	54 5	3,123
1935–36 ...	2,678	45.6	3,181
1936–37 ...	2,633	42.2	3,147
1937–38 ...	3,000	52.4	3,663
1938–39 ...	3,151	62.4	3,811
1939–40 ...	3,050	62.1	3,680
1940–41 ...	3,617	59.5	4,251
1941–42 ...	4,025	64.8	4,741
1942–43 ..	4,307	89 5	4,890
1943–44 ...	4,119	78.3	4,845
1944–45 ...	4,159	(a)	4,909
1945–46 ...	3,871	(a)	4,550
1946–47 ...	3,151	88.4	3,859
1947–48† ...	3,573	(a)	4 089
1948–49 ...	3,153	(a)	4,230

† Relates to Indian Union only.
(a) Consumption in excess of the year's production.

We would invite our readers' attention to the tables in the *Cotton Industry at a Glance.*

New Hedge Contract—Revised in September 1948

The Indian Cotton Contract now in force was revised on 9th September 1948.

Self-sufficiency of Raw Cotton essential for the Union of India

We now propose to discuss the possibilities and methods of replacement of the quality and quantity of row cotton as a result of the exclusion of the Dominion of Pakistan which was a very important unit in the total production of cotton. Of the all-India production of cotton in 1945-46, namely, 34,38,000 bales, the long and medium staple constituted nearly two-thirds, or 22,34,000 bales, and out of this the production of long and medium staple cotton in Pakistan was 11,50,000 bales, roughly 51% of the total production of long and medium staple cotton in all-India. The immensity of the problem would be realised when it is noted that we have to replace this huge quantity of long staple cotton from within the borders of India in the immediate future. While attempting to realise this immediate objective, namely, production of 11½ lakh bales of such cotton, which correspond roughly to 33% of India's entire cotton crop, we should not lose sight of the fact that even this production, if achieved, will still keep us far away from the ideal of self-sufficiency in the matter of cotton to meet even the minimum require-

ment of cloth of the Indian population at its present level of 12 yards *per capita*. At the present time, about 37 lakh bales of Indian cotton are required by the mill industry and for extra factory consumption. The internal production of the Union of India is only about 30 lakh bales in 1950 and there is thus a shortage of about 7 lakh bales.

Our target in respect of production of raw cotton can be aimed at (1) replacement of the quantity lost by the exclusion of Pakistan, or (2) production of suitable quantity for keeping our mills engaged to their maximum capacity, or (3) production of a still larger quantity which will be required for supplying the minimum clothing necessary for the total population of the Indian Dominion according to international standards. For the short-range programme we can concern ourselves with the first objective as the latter two objectives are in a sense idealistic and may well be aimed at as part of the long-range programme before the country. Our immediate short-term programme would, therefore, be a replenishment of the loss of cotton which was available so far from Pakistan as we cannot depend on supplies from Pakistan which may establish her trade relations with other countries for reasons of diplomacy or currency.

The short-term policy can be implemented by three or four methods. An easy method which would naturally strike one is an increase in the area under cultivation from 11½ lakh acres to about 16 lakh acres, but in doing so there would be serious difficulties in encroaching upon land under food-crops, in view of the pressing food requirements of the country. We would, suggest, therefore, that the first practicable method of relieving the situation is to undertake an *intensive* cultivation of the areas already under cotton. The new integrated policy of the Government should achieve good results, for cultivation of food, jute and cotton crops of 1950.

It is gratifying to note, however, that there is a welcome change in the attitude of the Government, after the devaluation of Indian currency, and the increased difficulty of getting cotton from Pakistan, after September 1949, and this leads one to hope that there may be a progressive increase in the acreage under cotton, with a view to achieve the goal of self-sufficiency, and to earn some dollar exchange even by the export of the short stapled variety to hard currency countries.

Looking at the average acre yield of India and comparing it with the yields in other progressive countries, one cannot but be struck by the huge scope that this method offers for immediate achievement of the ideal of higher production by proper manuring and judicious adjustment of cultivation practices. While the average yield per acre in India is only about 117 lbs., the yield in U.S.A. is 266 lbs., in Egypt 313 lbs., in the Soviet Union 322 lbs. per acre. There are vast technological possibilities of improvement in yield and quality, which should be explored immediately.

The second method is by the *extension of cotton cultivation to areas on the mountain slopes and valleys*, where several varieties, especially long stapled perennials, could be cultivated as plantation crops.

The third method is the *introduction of cotton as a rotation crop in paddy lands*, thus utilising the land which would otherwise lie fallow after harvest of paddy, while the fourth is the *replacement of the existing short staple variety by superior quality strain where such types are already evolved.*

All the four methods by which our ideal of immediately supplanting the production of Pakistan cotton could be attained have to be translated into a direct plan of working, a rough outline of which we give in the following paragraphs.

Firstly, we would suggest *the enforcement of legislation* by the proper Provincial and State Governments for demarcating *single variety tracts*, as for instance, the Khandesh Jarilla tract, in each Province and State, and the banning of cultivation of all varieties other than the principal ones, in the interest of production of a higher uniform quality of cotton which would benefit the grower, the trader and the manufacturer equally.

Secondly, we would suggest that adequate supply of manure should be made available by pooling all our resources, *primarily* in all localities where cotton is cultivated *under irrigation*, namely, the Madras Cambodia Tracts, the Mysore Irwin Canal Tracts, and the Canal Irrigated Area in East Punjab, in view of the fact that the response of the crop to manure in irrigated tracts is expected to be greater than in the rain-fed areas, and also by a general distribution of manure in the rain-fed tracts.

Thirdly, we would suggest the immediate replacement of short staple cottons by the improved strains already evolved for Mathia, Wagad, Kumpta, Gadag, C.P. and Berar and the Ceded Districts, comprising Westerns, Mungari, and Northerns Tracts. Superior varieties like Kalyan in the Wagad Tract and Pratap in the Mathia Tract in Saurashtra, Jawahir in Kumpta Tract, Subash in Gadag Tract, and other important types in other areas could be easily grown.

It should be appreciated that in all places, e.g. Bombay, it is not possible to substitute long staple varieties easily. On a rough estimate, however, these measures would result in an extra yield of about 8 lakh bales of medium and staple cotton types within a period of 3 to 4 years.

Finally, we would suggest an undertaking by Government of distribution of pure selected seed for cultivation through State Departments. This should be one of the main planks of the plan to be undertaken for meeting the deficit of cotton of the required quality within the country.

A whole-hearted implementation of the programme on the lines outlined above would not only change the face of the Indian cotton but would also contribute in a large measure to the improvement of the production position of cotton in India.

It is also essential that if this object is to be attained within a measurable period of time, the officers and the people concerned should

be fired with a spirit of zeal and enthusiasm for working on the different aspects of the plans simultaneously. A greater co-ordination in the departmental machinery will be absolutely essential and vital for the achievement of the target laid down.

If the goal of production of the entire requirement of cloth of the people from within the country is accepted, it would be necessary to retain a larger portion of even our short staple cotton, and with a view to providing all Indian Mills and the hand-spinning industry with the necessary raw material, it would even be necessary to ban export of cotton which is capable of spinning 15s and over. Such restriction on the raw cotton export would be essential for ensuring that the raw material position of the textile industry is not jeopardized.

If the indigenous raw cotton is thus conserved it would mean a definite encouragement to the hand-spinning industry, which would be welcome, for this would afford a solution to the problem of unemployment and under-employment of millions of agriculturists in the country, who would be provided with a part-time occupation from which they could supplement their meagre income. Mahatma Gandhi laid great stress on encouragement on hand-spinning, and the utilisation of the short staple cotton crop in adjacent areas for hand-spinning purposes.

Fresh Study of the Problem of Raw Cotton in the Indian Union needed

We therefore suggest that the problem of production of raw cotton in the country should be studied in an expert manner, in relation to the needs not only of the cotton textile industry but also of the hand-spinning industry, which is a vital and well spread cottage industry in the village economy of the country with potentiality of further development, in the present world conditions of insecurity and shortage of raw cotton, and on the basis of the data available suitable steps should be taken for production of such quality of raw cotton *as could be processed within the country*. Under present conditions, it is also difficult to count upon an uninterrupted supply of foreign long staple cotton to any large extent due to the price factor, currency factor, difficulties of procurement as a result of the world shortage, absence of peaceful conditions, restrictions, etc. With the devaluation of her currency in relation to the Dollar to the extent of 30½ per cent by India, from 19th September 1949, cotton imports from Dollar areas have been considerably costlier, and imports from Pakistan which has not devalued her currency, are not coming due to political relations being strained.

The conclusion of a Trade Agreement with Pakistan in February 1951 opens some possibility of import of raw cotton from Pakistan in 1951-52.

We fervently hope that the National Government will concentrate their efforts on translating to the cultivators' fields the technological potentialities of improvement both in respect of yield per acre and quality, with a view to lowering the cost of production, and increasing

the total yield so as to bring the Indian cultivation on parity with the various other progressive cotton growing countries in the world.

World Fibre Production

It will be interesting to see here the change in production of various fibres in the world which is reaching pre-war level.

Nine-tenths of world fibre production consists of natural fibres (cotton, wool, silk, flax, hemp, and jute, and the three major hard fibres) but synthetic production has resumed a strong upward trend.

We give below, a table showing the production of various kinds of fibres, for 1947-48 and 1948-49, as compared with the pre-war period.

Rayon and Nylon are making a great headway with cotton and competition with cotton is already keen.

WORLD FIBRE PRODUCTION §

	QUANTITY ('000 Metric Tons)			INDEX (1934–38=100)	
—	1934–38	1947–48	1948–49*	1947–48	1948–49*
1. Cotton	6,651	5,513	6,281	83	91
2. Wool (clean)	943	928	948	98	101
3. Raw silk	54	13	13	24	24
4. Flax	790	350	450	44	57
5. Hemp	454	267	345	59	76
6. Jute	1,875	1,568	1,391	84	74
7. Hard fibres†	522	456	483	87	92
8. Rayon, filament yarn	446	595	706	133	158
9. Rayon staple fibre	186	308	417	166	224
10. Nylon†	...	20	30	...	...
Total ...	11,921	10,018	11,064	84	93
Natural fibres (1 to 7)	11,289	9,095	9,911	81	88
Synthetic fibres (8 to 10)	632	923	1,153	146	182
Mainly apparel (1 to 4 and 8 to 10) ...	9,070	7,727	8,845	85	97
Mainly industrial (5 to 7)	2,851	2,291	2,219	80	80

* Preliminary. † Abaca, sisal, henequen. § Cotton, wool and jute for production season; silk, flax, hemp, hard fibres, rayon and nylon for calendar years.

APPENDIX B

FUTURE PLANNING FOR TEXTILES

SURVEY OF PLAN FOR EXPANSION

The total spindleage involved in the expansion of the Cotton Textile Industry, including spindles covered by licences granted for orders placed prior to the publication of Government of India Resolution No. 205-TA/45 dated 4th May 1946 on the Post-War Plan, comes to 3.10 million spindles approximately. Although imports of spinning machinery were licensed to the extent of about 2.57 million spindles, the pace at which progress has been made with the actual implementation of the Plan has not been as satisfactory as one might have expected commensurate with the licences issued. To begin with, orders were heavily booked with the U.K. manufacturers and deliveries offered were of necessity long-drawn-out, the source of supply being restricted. After the Indian Trade Delegation visited Japan in 1947 and the first hundred thousand spindles were booked by Government with the Japanese manufacturers, offers for further supply of machinery through trade channels were received and accepted. Many of those who had provisionally booked their orders with the Indian Textile Engineers Ltd., the local representatives of the Textile Machinery Manufacturers in U.K., then turned to Japan. The Indian Textile Engineers consequently considered it necessary to obtain an advance from those who were willing to book firm orders so that a more realistic programme of deliveries could be offered to the licensees and an order of priority made out on the first-come-first-served basis. This resulted in bookings with U.K. dwindling, partly owing to earlier deliveries being offered by Japan and partly because the prices for Japanese machinery were more attractive.

Progress Retarded by Abnormal Conditions Since Partition

Capital being shy, many of the entrepreneurs found the problem of raising finance very difficult and were, therefore, unable to finalise their contracts for the purchase of their machinery while others appeared to be optimistically looking forward to a fall in prices. On the other hand, with the devaluation in September 1949, the unfavourable exchange rate has caused a further lull in the trade activities with Japan. The prospects of reduction in prices that our new Industrialists had ardently hoped for not being likely to materialise in the near future, we are being treated to the uninspiring spectacle of many a wary promoter still continuing to be sitting on the fence, a perch from which the State Governments would appear to be chary of removing them owing to their inability, apparently, to find new promoters who are likely to do any better! While these are some of the reasons for the lackadaisical attitude on the part of the entrepreneurs chosen by Government to go ahead with their project under the Post-War Expansion Scheme, the Government policy adopting the Tariff Board recommendations on the Indian Textile Machinery

Manufacturing Industry and the interim imposition of a ban by the Ministry of Commerce on imports of ring frames caused a further setback to the progress of the Plan.

Shortage of Cotton may well be cited as one more reason for the misgivings of the promoters with regard to the future and the implementation of the Plan being retarded to some extent. The improved trade relations with Pakistan should, however, ease the situation in due course, as the promoters should be well assured of their share of imported cotton. Further, the disturbed equilibrium of the economic conditions of the Punjab and West Bengal have contributed not a little to stagnation in these regions.

With the merger of the States, it has been difficult to clearly demarcate the distribution of spindles. The accompanying statement is an attempt at the nearest approximation of allotments made to the various Provinces and States (*vide* Table 'A') and a general review is given here below against each group:

Assam

This is a deficit zone. There is not a single mill to supply cloth and yarn to the people of the Province. Against an allotment of 1,00,000 spindles for Assam, the State Government planned to install 75,000 spindles under their sponsorship. Priority assistance was given by Government for the early delivery of 25,000 spindles, but it now transpires that they are unable to undertake the project. They have asked for assistance for the transfer of the machinery to some other party. The position with regard to Assam is, therefore, nebulous and uncertain.

Bihar

There are only two mills in this State. An allotment of 2,43,000 spindles was made including 25,000 for Seraikela State and the *ex-gratia* allotment of 5,000 spindles in favour of Buxar Central Jail. Buxar Jail have received their machinery out of the quota of spindles that the Government of India had ordered from Japan. Of the rest of the entrepreneurs who are not likely to implement the Plan, the Government of Bihar have recommended cancellation of 1,50,000 spindles allotted to six of the promoters. These are available for redistribution.

Bombay

Surat Textiles Ltd., a new mill of 10,000 spindles granted under Automatic Registration and another at Navsari of 19,000 spindles are the only new mills which have come into existence in Bombay. Four new units of 12,000 spindles each were allotted for the purpose of ensuring yarn supply to handloom centres. None of these promoters have taken any action. With the merger of Palanpur, Baroda and Cambay, Bombay's share of the allotment of spindles under the Plan comes to 4,58,156. Some of the existing mills are, however, likely to utilise their allotments for expansion to the extent of about 50 per cent of the spindles distributed to them. Under the recommendations of the Government of Bombay, cancellations of spindles

earmarked for expansion of existing units have been carried out to the extent of 17,000 spindles.

Madhya Pradesh

Five new mills comprising 1,01,000 spindles and expansion of the 3 existing units to the extent of 20,760 spindles were sanctioned out of a total spindleage of 1,51,000 allotted in favour of Madhya Pradesh. In the present state of financial stringency, the State Government are of the opinion that it is a matter of great doubt as to whether the new mills are likely to come into existence in the near future. They are not confident of being able to find alternative promoters to undertake the responsibility of setting up new mills in Madhya Pradesh. The *laissez-faire* policy of the State Government is, therefore, not likely to lead to any fulfilment of the aspirations of the Post-War Plan in this region.

Delhi

No regular allotment was made under the Plan for Delhi. A mill of 25,000 spindles styled the Swatantra Bharat Mills and sponsored by the Delhi Cloth Mills has, however, come into existence. This was booked under the Automatic Registration prior to 23rd December 1944. Basheshernath and Co. and Ajudhya Textiles were subsequently given 20,000 and 12,000 spindles respectively, the former of whom has applied for an import licence for a small reconditioned plant from U.K. The Chief Commissioner, Delhi, is not hopeful of any further progress being registered in this area for the time being.

East Punjab

Out of a total quota of 2,46,508 spindles allowed after partition, only 81,300 spindles have so far been distributed. As already stated, owing to the disturbed state of the economic condition of this State on the border of Pakistan, the Provincial Government seems unable to predict the future of the Post-War Plan as far as their promoters are concerned. It may be necessary to consider the possibility of transferring the unallotted spindles to the pool for distribution, later, to other States who may be in a position to show more tangible progress in the sphere of industrialisation.

Madras

Although at the outset the Government of Madras seemed chary of accepting spindles allotted to the State for industrial expansion, they have made considerable progress after the initial state of inertia. Madras have received a total quota of 4,81,000 spindles including the Pudukottah State and the spindles allotted under Automatic Registration. As many as 1,61,000 spindles have already been installed and a further quota of 76,220 spindles are expected to be erected this year. It might be said to the credit of Madras that more than 50 per cent of the sanctioned spindleage is expected to be utilised.

Orissa

Orissa's quota is 1,44,000 spindles which includes Mayurbhanj State. Messrs. Mayurbhanj Spinning and Weaving Mills have imported a recondi-

tioned plant of 10,000 spindles from U.K. Messrs. Orissa Textiles Ltd. have placed orders for 45,000 spindles, out of which 19,000 have been received and erected. A further list of 10,000 spindles is expected during 1950. The other promoters are like their neighbours in Bihar indifferent, and the Orissa Government have attributed this to the difficulty of raising capital, and it appears doubtful if the rest of the new mills are at all likely to be set up.

Uttar Pradesh

Out of a total quota of 2,72,000 spindles allotted to Uttar Pradesh, only 2,21,720 spindles were distributed, 66,300 spindles for expansion and 1,55,420 for new mills. Amongst those who are taking action for the expansion of their units are :—

(i) Cawnpore Textiles Ltd., Kanpur.

(ii) Lakshmiratan Cotton Mills, Kanpur.

The only new mill that has come into existence in this region is that of Modi Spg. and Wvg. Mills at Modinagar (Meerut). This is sponsored by the well-known industrialist, Shri G. M. Modi, who has imported and installed the first of the units of the spinning machinery of the H. & B. Machine Co. of America, the Indian Agents of whom are Messrs. Mahindra and Mahindra Ltd., Bombay. The second plant of this kind imported from U.S.A. is under erection in Devangere in Mysore State.

West Bengal

A quota of 2,94,612 spindles was allotted to the share of West Bengal after partition. This includes the *ex-gratia* allotments. No appreciable progress has been made by the promoters of the new mills as compared with Bengal Government's clamour for increased allotment. Messrs. Kalyan Spg. and Wvg. Mills have put up a plant of 12,000 spindles (second-hand) purchased from Ahmedabad. Under expansion, Bangeswari Cotton Mills and Rampooria Cotton Mills, two of the existing units, have imported and installed 8,000 and 2,000 spindles respectively. The Annapurna Cotton Mills, D. N. Choudhury Cotton Mills and Bengal Fine Mills were allotted 9,200, 8,200 and 13,500 spindles respectively from out of the quota of spindles purchased from Japan under Government account and all these spindles have since arrived. The State would, however, appear to be in the throes of financial distress consequent upon the difficult times they have been passing through as a result of the partition of the country and its aftermath, particularly the problem of refugees from East Bengal, since May 1950.

Madhya Bharat

An allotment of 30,980 spindles was made for new mills to be installed and old mills to be increased in size under the Plan. Padmavati Raje Cotton Mills, Nagde, is the only new mill of 19,000 spindles that is coming up.

Pepsu

Owing to uncertain conditions as in the case of Punjab and West Bengal, the promoters in this region have displayed no sense of keenness in taking any active interest in the Post-War Plan. Messrs. Shamji Karamsi,

Nabha, and New India Industrial Corporation, Patiala, have actually abandoned their plans. Messrs. Karamchand Thapar and Sons have, however, been further allotted 19,000 spindles to enable them to increase the size of the mill they are putting up at Kapurthala which will now be one of 44,000 spindles. 17,600 spindles are expected to arrive in 1950. Apart from this mill, there is little chance of any other mill being installed in the near future in this zone. There will, therefore, be a balance of 50,000 spindles available for appropriation.

Bharatpur

A quota of 25,000 spindles was assigned to this State but has since been cancelled.

Rajasthan

The total number of spindles allotted under the Post-War Plan for new and existing mills in this area is 1,17,776. Apart from the existing mills which are likely to utilise the spindleage allotted in their favour for expansion, there is no sign of any promoters of new mills taking energetic action for the implementation of the Plan. Jaipur Spg. and Wvg. Mills have since transferred their licence for 10,000 spindles in favour of Binod Mills, Ujjain. They have an additional quota of 10,000 spindles which they expect to utilise themselves.

Saurashtra

A quota of 90,796 spindles has been allotted to Saurashtra. Although the State Government clamoured for an increased allotment, hardly any of the existing promoters have taken any concrete measures to utilise the spindles allotted to them. One of the new allottees, Khetani Industries, however, appears to be very keen on putting up a spinning mill of 12,000 spindles at Rajkot. They have previous mill experience, as they had a small spinning mill in Ahmedabad for a number of years. This unit is now idle and they propose to transfer it to Rajkot and build around it to increase the size of the mill to 12,000 spindles. The question of transfer of the Ahmedabad Unit to Saurashtra is under consideration with the Bombay Government.

Vindhya Pradesh

Only one mill of 25,000 spindles was sanctioned to this area in Rewa in favour of Asoka Textiles and Industries Ltd. The State Government do not appear to entertain any hopes of the promoter making good nor have they been able to select another party to take their place.

Travancore & Cochin

1,04,033 spindles is the share of the United State of Travancore and Cochin. Of the total, only 83,033 spindles have been distributed. In Travancore, a mill of the name and style of the Balarama Varma Textiles of 12,000 spindles has been installed. A further lot of 2,640 spindles is expected to arrive this year. The other spindles utilised are—

(i) Vijaya Mohini Mills : 6,400 spindles (New).
(ii) Alwaye Textiles : 5,000 spindles (Expansion).

In Cochin, the Cochin Mahalakshmi Mills comprising 2,500 spindles, has been established.

Hyderabad

A quota of 95,624 spindles was allotted to Hyderabad under the Post-War Plan. No progress has been made by any of the promoters. This stalemate is doubtless due to political changes in the State and the uncertainty that prevailed during the change-over. It is possible that the existing mills may, in due course, take action in the matter of balancing and/or expanding their existing units. M.S.K. Mills, Gulbarga, have purchased from Government a unit of 8,000 spindles which were imported under Government account.

Mysore

Including an *ex-gratia* allotment of 17,200 spindles, the total quota for Mysore comes to 71,136. Three new mills have come into existence in this area, i.e. :—

Kapila Textiles	.. 15,000 spindles.
Shri Ganesar Textiles	.. 17,200 spindles.
Sri Sankara Textiles	.. 17,800 spindles.

Mysore may well congratulate itself on the progress it has made.

As many as 14 new mills were sanctioned prior to the drawing up of the Post-War Plan, out of which only six have come into existence. Some mills have sprung up under the provisions of the April 1947 Notification in which the Government of India sought to encourage new-comers who produced evidence of their ability to import new or second-hand reconditioned machinery outside the quota on the basis of which they were sanctioned *ex-gratia* allotments.

Summary Review of Expansion

Twenty-one of the existing mills have implemented their programme of expansion which involves the addition of 1,39,612 spindles. The new mills established already and those which are expected to be erected during 1950 are 43 in number comprising a total of 5,04,560 spindles. There is still a balance of 5,27,458 spindles remaining to be reallotted. (*vide* Table 'A' on the next page.)

If the protagonists of the Post-War Plan for the expansion and rehabilitation of the Cotton Textile Industry had envisaged the consummation of the Scheme within a period of 5 years, as they would appear to have done, they would doubtless be somewhat disappointed at the results. The above factual review reveals that there is yet a lot of ground to be covered and it may take a long while still for the fulfilment of the Plan to be accomplished. Although there is nothing to enthuse over, considering that the plan of expansion was conceived before partition, under normal conditions, and that radical changes have since taken place in the economy of the country to upset all calculations, the progress made cannot, at any rate, be described as insignificant.

As the expansion aimed at the target of production of 1,700 million yards on the basis of the increased spindleage provided for, so as to ensure the *per capita* consumption of 18 yards, it is clear that the Plan should at all events be carried out to its finality. As a result of the war, and the devaluation of our currency, in September 1949, we have found a world-wide market for export of our textiles. With the expansion of our export trade, therefore, *it is all the more necessary that India should take suitable measures to implement* the programme for expansion of her cotton textile industry at an early date.*

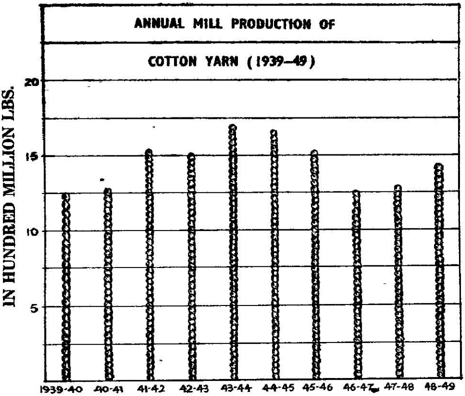
TABLE A

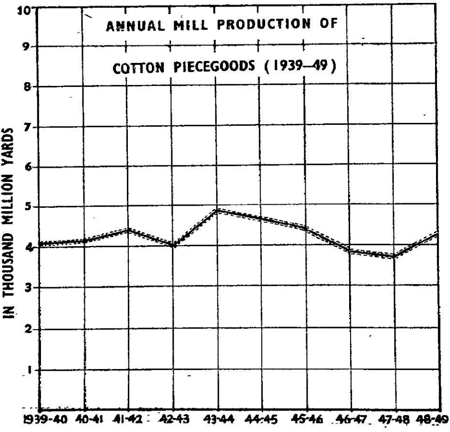
Existing and Projected Spindleage Capacity of the Cotton Textile Industry in India (1950-51)

STATE	Installed Capacity		*Quota Sanctioned* under the Plan (including Automatic Registration & ex-quota allotment)	Quota allotted to *mills/promoters*	*No. of Spindles* expected to be utilised	New spindles started, received and/or erected	Spindles expected during 1950-51	Balance Spindles available for redistribution
	Spindles	Looms						
Assam ...	...	...	*1,00,000*	1,00,000	25,000	...	25,000	...
Bihar ...	27,792	745	2,43,000	93,000	43,000	...	5,000	1,50,000
Bombay ..	58,12,587	*1,30,678*	*4,56,156*	*4,41,156*	*2,54,572*	*46,000*	*15,000*	*17,000*
Madhya Pradesh ...	3,61,746	6,875	1,51,000	1,21,760	79,888	...	10,000	29,240
Delhi ...	1,32 896	3,131	57,000	57,000	*25,000*	*25,000*	...	...
East Punjab ...	37,484	752	2,46,508	81,300	10,000	...	...	1,65,208
Madras ...	16,05,396	6,323	4,81,000	4,80,270	2,76,960	1,61,000	76,220	730
Orissa ...	...	...	1,44,000	1,44,000	94,000	19,000	20,000	...
Uttar Pradesh	7,35,495	12,133	2,72,000	2,21,720	83,830	28,000	...	50,280
West Bengal .	3,75,660	7,699	2,94,612	2,94,612	2,28,476	22,000	66,000	...
Madhya Bharat	3,95,528	10,414	30,980	30,980	30,980	...	...	...
PEPSU ...	...	...	94,000	44,000	44,000	...	17,600	50,000
Rajasthan ..	53,320	1,234	1,17,776	1,17,776	52,092	...	10,112	...
Saurashtra ..	1,48,080	2,910	*90,796*	90,976	59,804	3,500	8,440	...
Vindhya Pradesh ...	...	...	25,000	25,000	...	...	...	...
Travancore & Cochin ..	*73,262*	*726*	*1,04,033*	*83,033*	*53,000*	26,000	2,640	21,000
Hyderabad ...	1,18,420	2,457	95,624	76,624	26,624	8,000	...	19,000
Mysore ...	1,63,752	2,377	71,136	*71,136*	*67,338*	*50,000*	...	...
Banaras ...	...	...	25,000	...	...	...	...	25,000
Grand Total	100,44,418	1,88,454	31,01,621	25,74,163	14,54,562	3,88,500	2,56,012	5,27,458

* India was the *largest* exporting country in the world in *1950, total exports being* about 1,200 million yards, in addition to bedspreads, sheets, etc.

Graphs showing India's annual production in terms of cotton yarn or piecegoods





APPENDIX I

DIRECTORY OF COTTON MILLS IN INDIA AND PAKISTAN

MILLS IN THE CITY & ISLAND OF BOMBAY
MILLS IN AHMEDABAD
OTHER MILLS IN BOMBAY STATE
MILLS IN OTHER STATES
MILLS IN COURSE OF ERECTION

1950

COTTON MILLS IN THE CITY & ISLAND OF BOMBAY

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
1. Apollo Mills, Ltd., DeLisle Road, Chinchpoogly ...	Messrs. The Rajputana Textiles (Agencies), Ltd., Agents, Office on Mill premises.	45,500	42,598	898	887	12,293	1,578
2. Beharilal Ramcharan Cotton Mills, Ltd., Ferguson Road, Lower Parel.	Messrs. B. R. Sons Ltd., Agents, Empire House, Hornby Road, Bombay.	49,360	40,339	1,021	976	7,448	1,442
3. Bombay Dyeing and Mfg. Co., Ltd. (Spring Mills), Naigaum Road, Dadar.	Messrs. Nowrosjee Wadia & Sons, Ltd., Agents, Neville House, Graham Road, Ballard Estate, Fort, Bombay.	1,09,840	1,03,062	3,224	3,087	16,548	3,568
4. Bombay Dyeing and Mfg. Co., Ltd. (Textile Mills), Elphinstone Road, Parel.		71,936	66,952	1,631	1,567	19,987	3,086
5. Bradbury Mills, Ltd., Ripon Road, Jacob Circle ...	Messrs. Ramnarain Sons, Ltd., Agents, Imperial Bank Annexe, Bank Street, Fort, Bombay.	34,992	32,612	848	794	8,055	1,457
6. Century Spinning and Manufacturing Co., Ltd., (Century Mill), Junction of DeLisle Road and Elphinstone Road.	Messrs. Sir Chunilal V. Mehta & Sons Ltd., Agents, Queen's Mansions, Prescott Road, Fort, Bombay.	1,09,320	95,452	2,684	2,489	17,894	5,106
7. Century Spinning and Manufacturing Co., Ltd., (Zenith Mill), Junction of DeLisle Road and Elphinstone Road.							
8. Colaba Land and Mill Company, Ltd. (Old Mill), Victoria Bunder, Colaba.	Managed by Board of Directors, Office on Mill premises.	32,208	41,231	697	681	8,062	1,692
9. Colaba Land and Mill Company, Ltd., Jehangir Wadia Mill, Victoria Bunder, Colaba.		11,376					
10. Coorla Spinning and Weaving Company, Ltd., Kurla.	Messrs. Cowasjee Jehangir & Co., Ltd., Secretaries, Treasurers and Agents, Readymoney Mansion, Churchgate Street, Fort, Bombay.	24,680	22,406	680	662	7,281	1,538
11. Crown Spinning and Manufacturing Co., Ltd. (formerly Dhun Mills), New Parbhadevi Road, Parel.	Messrs. Purshotam Vithaldas & Co., Secretaries, Treasurers and Agents, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay.	52,216	42,402	1,064	1,042	7,527	1,690
12. Dawn Mills Company, Ltd., Ferguson Road, Lower Parel.	Messrs. Ramnarain Sons Ltd., Agents, Imperial Bank Annexe, Bank Street, Fort, Bombay.	39,624	32,642	...	...	14,685	1,646
13. Dhanraj Mills, Ltd. (formerly Assur Virji Mills, Ltd.); Sun Mill Road, Lower Parel.	Messrs. Ramgopal Ganpatrai & Sons Ltd., Managing Agents, Office on Mill premises.	36,316	33,670	786	756	5,936	1,324
14. Digvijay Spinning and Weaving Co., Ltd. (formerly Dinshaw Petit Mills), Lal Baug, Parel.	Messrs. Jethabhai Khatau & Co. (Agencies) Ltd., Agents, Office on Mill premises.	48,192	42,020	1,177	1,004	7,490	1,588
15. Edward Textiles Ltd. (formerly Edward Sassoon Mills Ltd.), Ferguson Road, Lower Parel.	Messrs. Puranmal Radhakishan & Co., Agents, Indu House, 15 Dougall Road, Ballard Estate, Fort, Bombay.	48,364	42,626	928	869	14,618	1,577
16. Elphinstone Spinning and Weaving Mills Co., Ltd., Elphinstone Road, Parel.	Messrs. Chidambaram Mulraj & Co., Ltd., Agents, Kamani Chambers, 32, Nicol Road, Ballard Estate, Fort, Bombay.	42,072	38,276	885	871	10,265	1,747
17. Finlay Mills, Ltd., Government Gate Road, Parel.	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Buildings, Fort, Bombay.	46,072	41,396	784	759	4,835	1,846
18. Gold Mohur Mills, Ltd., Dadar Main Road ...	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Bldgs., Fort, Bombay.	40,540	35,874	1,020	984	5,130	1,551
19. Hind Mills Ltd. (formerly David Mills Co., Ltd.) (Mill No. 1), Carroll Road, Parel.	Messrs. Hind Agents Ltd., Mg. Agents, Indu House, 15 Dougall Road, Ballard Estate, Fort, Bombay.	76,392	65,918	1,227	1,163	19,837	2,394
20. Hind Mills Ltd. (formerly David Mills Co. Ltd.) (Mill No. 2), Carroll Road, Parel.							
21. Hindoostan Spinning and Weaving Mills Co., Ltd., Ripon Road, Jacob Circle.	Messrs. Thackersey Mooljee & Co., Agents, Sir Vithal Chambers, Apollo Street, Fort, Bombay.	45,752	38,906	1,216	1,122	9,275	1,865
22. Hirjee Mills, Ltd. (formerly Presidency Mills Co., Ltd.), Ferguson Road, Lower Parel.	Messrs. J. R. Bhadani & Co., Ltd., Agents, Office on Mill premises.	48,012	40,744	864	846	9,317	2,181
23. Indian Manufacturing Co., Ltd., Lamington Road North, Jacob Circle.	Messrs. Damodar Thackersey Mooljee & Co., Agents, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay.	49,968	46,260	1,167	1,018	9,733	1,977
24. India United Mills, Ltd., No. 1 Mill (formerly Jacob Mill), Suparibaug Road, Parel.	Messrs. Agarwal & Co., Agents, Indu House, Dougall Road, Ballard Estate, Fort, Bombay.	96,760	86,180	2,228	2,061	20,835	3,525
25. India United Mills, Ltd., No. 2 Mill (formerly Alexandra Mill), Gorupdeo Road, Chinchpoogly.		35,880	32,166	742	709	26,368	1,847
26. India United Mills, Ltd., No. 3 Mill (formerly E. D. Mill), Gorupdeo Road, Chinchpoogly.		76,450	71,964	752	712		1,337
27. India United Mills, Ltd., No. 4 Mill (formerly Rachel Mill), Chinchpoogly Road.		...	...	1,880	1,685	...	1,271
28. India United Mills, Ltd., No. 5 Mill (formerly Manchester Mill), Chinchpoogly Cross Lane, Kalachowki.		28,940	26,744	684	657	4,466	779
29. Jam Manufacturing Co., Ltd., Mill No. 1, Lalbaug, Parel.	Messrs. Tricumdas Vandravan & Co., Treasurers and Agents, Secretaries, Lalbaug, Parel, Bombay.	27,260	25,185	910	800	4,693	1,120
30. Jam Manufacturing Co., Ltd., Mill No. 2 (formerly Birla Mills, Ltd., No. 2), Sewri Road.		23,516	22,283	574	570	2,638	968

NAME OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
31. Jubilee Mills, Ltd., New Sewree Road	Messrs. Chamanlal Mehta & Co., Ltd., Secretaries, Treasurers and Agents, Mubarak Manzil, Apollo Street, Fort, Bombay.	38,280	34,381	680	637	4,046	1,185
32. Kamala Mills, Ltd. (formerly Ebrahimbhoy Pabaney Mills), Tulsi Pipe Line Road, off DeLisle Road.	M. L. Tapuriah Esq., Director, Kilachand Devchand Building, 45/47, Apollo Street, Fort, Bombay.	38,984	35,202	1,055	1,020	9,254	2,342
33. Khatau Makanji Spinning and Weaving Co., Ltd., Haines Road, Byculla.	Messrs. Khatau Makanji & Co., Agents, Laxmi Buildings, 2B, Ballard Pier, Fort, Bombay.	61,852	57,586	1,417	1,392	8,740	2,014
34. Kohinoor Mills Co., Ltd. (Nos. 1, 2 & 3 Mills), Naigaum Cross Road, Dadar.	Messrs. Killick Industries Ltd., Agents, Killick Bldg., Home Street, Fort, Bombay.	1,07,240	1,00,174	1,846	1,811	20,150	5,149
35. Madhowji Dharamsi Manufacturing Co., Ltd., Foras Road, Tardeo.	Managed by Board of Directors, 15A, Elphinstone Circle, Fort, Bombay.	38,712	36,764	838	827	4,606	1,732
36. Shri Madhusudan Mills, (formerly Pearl Mills), DeLisle Road.	*Chairman*: Sohanlal Jajodia, Hall and Anderson Ltd., 31, Chowringhee, Calcutta, Office on Mill premises.	57,592	49,607	1,742	1,436	14,967	2,719
37. Modern Mills, Ltd., Mill No. 1 (formerly Mysore Spinning Manufacturing Co., Ltd., Mill No. 2), Elphinstone Road, Parel.	Messrs. N. Sirur & Co., Ltd., Agents, 70, Forbes Street, Fort, Bombay.	28,976	22,809	...	...	9,743	628
38. Modern Mills, Ltd., Mill No. 2 (formerly Bomanji Petit Mills), Mahaluxmi.		10,368	10,166	444	433		651
39. Moon Mills, Ltd., New Sewree Road	Messrs. Asiatic Textile Co., Ltd., Agents, 70, General Assurance Building, Hornby Road, Fort, Bombay.	34,428	...	875	...	...	...
40. Morarjee Goculdas Spinning and Weaving Co., Ltd., Suparibaug Road, Parel.	Messrs. Piramal Gangadhar, Agents, Office on Mill premises.	60,652	50,761	1,672	1,407	15,774	3,721
41. New China Mills, Ltd. (formerly China Mill), Sewree.	Mr. Navinchandra Mafatlal, Managing Director, 29, Churchgate St., Fort, Bombay.	42,792	39,160	776	728	6,408	1,671
42. New City of Bombay Manufacturing Co., Ltd., Albert Road, Chinchpoogly.	Messrs. W. H. Brady & Co., Ltd., Agents, Royal Insurance Building, 12/14, Churchgate Street, Fort, Bombay.	45,944	44,157	432	426	6,623	1,430
43. New Great Eastern Spinning and Weaving Co., Ltd., Victoria Gardens Road, Chinchpoogly.	Messrs. W. H. Brady & Co., Ltd., Agents, Royal Insurance Building, 12/14, Churchgate Street, Fort, Bombay.	46,884	45,232	1,018	999	9,813	2,158
44. New Kaiser-i-Hind Spinning & Weaving Co., Ltd., Gorupdeo Road, Chinchpoogly.	Lala Kailashpat Sughania, Mg. Director, J. K. Building, Dougall Road, Ballard Estate, Bombay.	53,716	48,317	1,405	1,264	9,867	2,242
45. New Pralhad Mills, Ltd. (formerly Pralhad Mills), Ferguson Road, Lower Parel.	Messrs. Amrit Banaspati Co., Ltd., Agents, East & West Building, Apollo Street, Fort, Bombay.	33,440	31,107	1,005	957	10,941	1,955
46. New Sun Mills Co., Ltd. (formerly Madhao Rao Scindia Mill), Sun Mill Road, Lower Parel.	Messrs. Bhupatrai Karunashanker, and Karunashanker Punjaram, Mg. Directors, 64/66, Chuckla Street, Bombay No. 3.	17,244	15,066	319	...	1,604	509
47. New Union Mills, Ltd. (formerly Union Mills), DeLisle Road, Lower Parel.	Messrs. Mafatlal Chandulal & Co. (Bombay), Ltd., Mg. Agents, 127, Mahatma Gandhi Road, Fort, Bombay.	33,632	28,842	873	799	11,592	1,634
48. Phoenix Mills, Ltd. (formerly Britannia Mills). Tulsi Pipe Line Road, Lower Parel.	Messrs. Ramnarain Sons, Ltd., Agents, Imperial Bank Annexe, Bank Street, Fort, Bombay.	54,320	47,437	945	931	11,386	2,216
49. Podar Mills, Ltd. (formerly Toyo Podar Cotton Mills, Ltd.), DeLisle Road.	Messrs. Podar Sons. Ltd., Managing Agents, Podar Chambers, Parsee Bazar Street, Fort, Bombay.	31,800	28,441	930	857	10,203	1,101
50. Prakash Cotton Mills Ltd. (formerly Seksaria Cotton Mill No. 2), DeLisle Road.	Messrs. Seksaria Industries Ltd., Seksaria Chambers, 139, Medows Street, Fort, Bombay.	17,984	16,301	376	351	5,166	1,170
51. Raghuvanshi Mills, Ltd. (formerly Kilachand Mills, Ltd.), 11-12, Haines Road, Mahaluxmi.	Messrs. Ravindra Maganlal & Co., Ltd., Agents, Office on Mill premises.	33,160	32,701	122	...	12,645	1,403
52. Ruby Mills, Ltd. (formerly Sorab Mills), Woollen Mill Gully, Lady Jamshedji Road, Dadar.	Messrs. Choonilal Jeevandas & Co., Agents, 49-55, Apollo Street, Fort, Bombay.	15,620	14,217	430	416	2,586	786
53. Sassoon Spinning and Weaving Co., Ltd., Mount Estate, Ghorupdeo, Mazagon.	Messrs. M. G. Investment Corporation Ltd., Agents, 127, Mahatma Gandhi Road, Fort, Bombay.	60,240	50,962	1,253	1,182	19,465	3,580
54. Seksaria Cotton Mills, Ltd., Mill Nos. 1 & 1A, (formerly Currimbhoy and Mohamedbhoy Mills), Tulsi Pipe Line Road, DeLisle Road.	Messrs. Seksaria Sons. Ltd., Agents, 139, Medows Street, Fort, Bombay.	72,796	69,897	1,048	1,032	17,016	2,994
55. Shree Niwas Cotton Mills, Ltd. (formerly Fazulbhoy Mills, Ltd.), Tulsi Pipe Line Road, DeLisle Road.	Messrs. The Marwar Textiles (Agency) Ltd., Agents, Shreenivas House, Waudby Road, Fort, Bombay.	66,472	49,042	1,640	1,563	10,217	2,671
56. Shree Ram Mills, Ltd. (formerly Crescent Mills, Ltd.), Ferguson Road, Worli, Lower Parel.	Messrs. Bhogilal Menghraj & Co., Ltd., Agents, Office on Mill premises.	48,524	42,149	950	931	4,140	1,848
57. Simplex Mills Co., Ltd., Clerk Road, Jacob Circle, Byculla.	Messrs. Forbes Forbes, Campbell & Co., Ltd., Agents, Forbes Building, Home Street, Fort, Bombay.	36,324	31,089	1,277	1,211	10,868	2,276

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
58. Sir Shapurji Broacha Mills, Ltd. (Connaught Mill), DeLisle Road, Chinchpoogly. 59. Sir Shapurji Broacha Mills, Ltd. (New Empress Mill), DeLisle Road, Chinchpoogly.	Managed by Board of Directors, 15A, Elphinstone Circle, Fort, Bombay.	66,216	57,839	1,012	992	10,692	2,450
60. Standard Mills Co., Ltd., Parbhadevi Road, Lower Parel	Messrs. Mafatlal Gagalbhai & Sons, Agents, Rustom Building, 29, Churchgate Street, Fort, Bombay.	51,696	48,894	1,677	1,599	8,679	2,399
61. Svadeshi Mills Co., Ltd., Kurla.	Messrs. Tata Industries Ltd., Mg. Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	65,040	54,533	2,000	1,763	13,356	3,427
62. Swan Mills, Ltd., New Sewri Road.	Messrs. James Finlay & Co., Ltd., Agents, Chartered Bank Buildings, Fort, Bombay.	35,204	32,868	552	527	5,769	1,177
63. Tata Mills, Ltd., Dadar Road, Parel.	Messrs. Tata Industries, Ltd., Mg. Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	62,468	55,130	1,800	1,650	17,430	3,620
64. Victoria Mills, Ltd. (Old Satya Mill), DeLisle Road.	Messrs. Mangaldas Mehta & Co., Ltd., Secretaries, Treasurers and Agents, Mubarak Manzil, Apollo Street, Fort, Bombay.	50,152	45,922	982	942	8,125	1,730
65. Western India Spinning and Manufacturing Co., Ltd., Kalachowki Road, Chinchpoogly.	Messrs. Thackersey Mooljee Sons & Co., Agents, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay.	44,248	38,300	1,256	1,243	10,570	1,795
	Total ...	29,04,138	25,74,850	65,238	60,095	5,97,206	1,19,780

COTTON MILLS IN AHMEDABAD

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
1. Ahmedabad Advance Mills, Ltd., Shahibag Road, Outside Delhi Gate, Ahmedabad.	Messrs. Tata Industries Ltd., Mg. Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	44,108	40,237	1,016	1,000	10,247	2,056
2. Ahmedabad Cotton Manufacturing Co., Ltd. (Bagicha Mill), Outside Sarangpur Gate, Ahmedabad.	Messrs. Amritlal Hargovandas & Bros., Ltd., Agents, Office on Mill premises.	22,480	22,480	516	512	2,780	951
3. Ahmedabad Jaya Bharat Cotton Mills, Ltd. (formerly Bharat Laxmi Cotton Mills, Ltd.), Beyond Kankaria Railway Siding, Mithipur, Ahmedabad.	Messrs. Parakh Fabrics Ltd., Mg. Agents, 28, Apollo Street, Fort, Bombay.	31,580	30,147	610	577	3,633	1,507
4. Ahmedabad Jupiter Spg., Wvg. and Mfg. Co., Ltd., Dudheshwar Road, Ahmedabad.	Messrs. M. Parakh & Co., Ltd., Agents, 28, Apollo Street, Bombay.	29,508	28,426	667	662	4,308	1,428
5. Ahmedabad Kaiser-i-Hind Mills Co., Ltd. (formerly Ahmedabad Merchants' Spinning Mills Co., Ltd.), Outside Raipur Gate, Ahmedabad.	Messrs. Ramanlal Kanaiyalal & Co., Ltd., Mg. Agents, Office on Mill premises.	21,572	20,578	432	429	4,458	820
6. Ahmedabad Laxmi Cotton Mills Co., Ltd., Outside Raipur Gate, Ahmedabad.	Messrs. Hariprasad Jayantilal & Co., Ltd., Agents, Post Box No. 42, Ahmedabad.	26,924	26,169	592	578	6,137	1,159
7. Ahmedabad Manufacturing and Calico Printing Co., Limited (Calico Mills), Outside Jamalpur Gate, Ahmedabad. 8. Ahmedabad Manufacturing and Calico Printing Co., Limited (Jubilee Mills), Outside Dariapur Gate, Ahmedabad.	Messrs. Karamchand Premchand Ltd., Agents, Post Box No. 12, Ahmedabad.	1,18,480	1,14,006	2,360	2,306	16,742	5,195
9. Ahmedabad New Cotton Mills Co., Ltd., Near Kokhra Mehemedabad, Ahmedabad.	Messrs. Narottam Chandulal & Co., Ltd., Agents, Office on Mill premises.	20,700	20,536	448	436	3,792	485
10. Ahmedabad New Textile Mills Co., Ltd., No. 1, Outside Raipur Gate, Ahmedabad. 11. Ahmedabad New Textile Mills Co., Ltd., No. 2 (formerly Javeri Spg. & Mfg. Co., Ltd.), Outside Raipur Gate, Ahmedabad.	Messrs. Narayanlal Jivanlal & Co., Ltd., Agents, Post Box No. 160, Ahmedabad.	26,948	25,409	902	867	2,433	1,390
12. Ahmedabad Sarangpur Mills Co., Ltd., Outside Raipur Gate, Ahmedabad.	Messrs. Himatlal Motilal & Co., Ltd., Agents, Office on Mill premises.	30,928	30,020	590	576	5,982	1,207

NAME OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
13. Ahmedabad Shri Ramkrishna Mills Co., Ltd., Gomtipur Road, Ahmedabad.	Messrs. Chimanlal Manecklal & Co., Ltd., Agents, Office on Mill premises.	25,432	22,095	498	487	2,068	874
14. Ajit Mills, Ltd., Rakhial Road, Ahmedabad ...	Messrs. Chinubhai Naranbhai & Co., Ltd., Agents, Office on Mill premises.	23,068	21,954	512	507	5,231	1,008
15. Ananta Mills, Ltd., Rakhial Road, Ahmedabad...	Messrs. Jayantilal Amratlal Ltd., Agents, Post Box No. 42, Ahmedabad.	21,992	21,708	450	445	5,267	960
16. Aruna Mills, Ltd., Naroda Road, Ahmedabad ...	Messrs. P. M. Hutheesing & Sons, Ltd., Agents, Post Box No. 57, Ahmedabad.	40,728	40,432	880	863	7,005	1,592
17. Arvind Mills, Ltd., Naroda Road, Ahmedabad ...	Messrs. Narottam Lalbhai & Co., Agents, Office on Mill premises.	59,676	56,947	1,216	1,212	7,270	1,864
18. Aryodaya Ginning and Mfg. Co., Ltd. (formerly Ahmedabad Vyapar Ootejack Spinning and Mfg. Company, Limited), Asarva Road, Ahmedabad.	Messrs. Mangaldas & Brother, Ltd., Agents, Office on Mill premises.	32,960	32,634	884	865	7,004	1,563
19. Aryodaya Spinning and Weaving Co., Ltd., No. 1, Asavra Road, Ahmedabad. 20. Aryodaya Spinning and Weaving Co., Ltd., No. 2, Asarva Road, Ahmedabad.	Messrs. Mangaldas and Balabhai & Co., Agents, Post Box No. 146, Ahmedabad.	52,788	51,656	1,108	1,064	7,185	2,023
21. Asarwa Mills Ltd. (formerly Hitwardhak Cotton Mills Co., Ltd.), Asarva Road, Ahmedabad.	Messrs. Chhotabhai Patel & Co., Ltd., Agents, 12, Bell Lane, N. M. Wadia Bldg., Fort, Bombay.	21,824	21,587	566	553	4,818	1,045
22. Asoka Mills, Ltd., Naroda Road, Ahmedabad ...	Messrs. Lalbhai Dalpatbhai & Co., Agents, Post Box No. 55, Ahmedabad.	36,264	35,656	934	846	7,797	1,346
23. Bechardas Spinning and Weaving Mills Co., Ltd., Rakhial Raod, Ahmedabad.	Messrs. Durgaprasad S. Laskari & Co., Ltd., Agents, Office on Mill premises.	19,320	18,787	496	461	4,243	843
24. Bhalakia Mills Co., Ltd., Kankaria Road, Ahmedabad	Messrs. Chandulal & Co., Ltd., Agents, Office on Mill premises.	16,464	16,309	800	522	3,960	879
25. Bharatkhand Textile Mfg. Co., Ltd., No. 1, Camp Road, Ahmedabad. 26. Bharatkhand Textile Mfg. Co., Ltd., No. 2, Camp Road, Ahmedabad.	Messrs. Jivanlal Girdharlal & Co., Ltd., Agents, Post Box No. 30, Ahmedabad.	31,720	30,513	852	830	3,505	1,376
27. Bharat Suryodaya Mills Co., Ltd. (formerly India Spg. & Wvg. Co., Ltd.), Kankaria Road, Railwaypura, Ahmedabad.	Messrs. Mohatta Bros., Agents, 2, Krishna Society, Ellis Bridge, Ahmedabad.	13,700	12,868	374	364	3,748	760
28. Bihari Mills, Ltd., Near Khokra Mehmedabad, Ahmedabad.	Messrs. Motilal Harilal & Co., Ltd., Agents, Post Box No. 4, Ahmedabad.	18,240	17,452	440	436	4,316	798
29. City of Ahmedabad Spinning and Manufacturing Co., Limited, Kankaria Road, Ahmedabad.	Messrs. Chamanlal Mangaldas & Sons, Agents, Office on Mill premises.	22,940	20,962	302	...	4,191	597
30. Commercial Ahmedabad Mills Co., Ltd., Outside Prem Darwaja, Ahmedabad.	Messrs. Dhanjibhai and Tricumlal & Co., Ltd., Agents, Office on Mill premises.	27,552	26,839	620	615	5,055	1,125
31. Fine Knitting Co., Ltd., Near Chamunda Mata, Naroda Road, Ahmedabad.	Messrs. H. Keshavlal & Co., Agents, Railwaypura, Ahmedabad.	9,000	9,000	...	...	2,082	394
32. Girdhardas Harivallabhdas Mills, Ltd. (formerly Rajnagar Mill No. 2), Outside Prem Darwaja, Ahmedabad.	Messrs. Chamanlal Mangaldas & Co., Agents, Office on Mill premises.	21,808	21,402	...	...	2,339	588
33. Gujarat Cotton Mills Co., Ltd., Naroda Road, Ahmedabad.	Messrs. Chaturam & Sons, Agents, Office on Mill premises.	31,888	28,398	606	535	3,806	1,274
34. Gujarat Ginning & Mfg. Co., Ltd., Outside Prem Gate, Ahmedabad.	Messrs. Jamnabhai Mansukhbhai, Agents, Office in Mill premises.	25,232	...	644	...	...	...
35. Gujarat Hosiery Factory, Rakhial Road, Ahmedabad.	Messrs. C. C. Dalal & Co., Owners, Office on Mill premises.	10,620	10,264	...	...	1,187	271
36. Gujarat Spinning and Weaving Co., Ltd., Outside Kalupur Gate, Ahmedabad.	Messrs. Jamnabhai Mansukhbhai & Co., Agents, Office on Mill premises.	28,792	27,856	674	658	7,300	1,310
37. Harivallabhdas Mulchand Mills Co., Ltd., Outside Dariapur Gate, Ahmedabad.	Messrs. Girdharlal Harilal & Co., Agents, Office on Mill premises.	17,712	17,323	448	439	4,972	760
38. Hathising Manufacturing Co., Ltd., Outside Saraspur Gate, Ahmedabad.	Messrs. Maneklal Mansubhai & Co., Agents, Post Box No. 2, Ahmedabad.	13,356	11,657	...	...	1,864	333
39. Himabhai Manufacturing Co., Ltd., Near Saraspur Gate, Ahmedabad.	Messrs. Dhirajlal Khushaldas & Bros., Agents, Office on Mill premises.	17,560	17,136	436	430	1,931	709
40. Jehangir Vakil Mills Co., Ltd., Outside Delhi Gate, Ahmedabad.	Messrs. Rustomjee Mangaldas & Co., Ltd., Agents, Office on Mill premises.	32,664	31,166	761	690	6,104	1,348
41. Jitendra Mills, Ltd. (formerly Astodia Mill), Outside Astodia Gate, Ahmedabad	Mr. N. K. Jhaveri, Hon. Liquidator, 2972, Ratanpole, Ahmedabad.	3,600	...	...	...	...	...
42. Kalyan Mills, Ltd., Naroda Road, Ahmedabad ...	Mr. Rudheshyam R. Morarka, Director-in-charge, 74, Marine Drive, Bombay.	13,260	12,400	393	377	3,438	620
43. Lalbhai Tricumlal Mills, Ltd., Rakhial Road, Ahmedabad.	Messrs. Chinubhai Lalbhai and Bros., Ltd., Agents, Office on Mill premises.	29,936	29,432	784	772	4,578	1,573
44. Maheshwari Mills, Ltd. (formerly Ahmedabad Cotton and Waste Mfg. Co., Ltd.), Shahibag Road, Ahmedabad.	Messrs. Dhirajlal Khushaldas & Co., Agents, Post Box No. 79, Ahmedabad.	21,032	21,015	528	501	2,141	897
45. Maneckchowk and Ahmedabad Mfg. Co., Ltd., Nos. 1 and 2, Railwaypura Post, Ahmedabad.	Messrs. Hiralal Tricumlal & Sons, Agents, Office on Mill premises.	31,128	31,128	832	804	6,631	1,274
46. Manecklal Harilal Spinning and Mfg. Co., Ltd., Saraspur, Ahmedabad.	Messrs. Harilal Harivalhabhdas & Co., Ltd., Agents, Office on Mill premises.	32,164	31,767	752	745	7,283	1,600
47. Marsden Spinning and Manufacturing Co., Ltd., Gomtipur, Ahmedabad.	Messrs. Marsden Bros. & Co., Ltd., Agents, Office on Mill premises.	22,244	21,969	482	476	6,735	1,103
48. Monogram Mills Co., Ltd., Rakhial, Ahmedabad...	Messrs. Manilal, Marsden & Co., Ltd., Agents, Office on Mill premises.	23,816	23,816	528	522	7,198	1,212
49. Nagri Mills Co., Ltd., Rajpur, Gomtipur Road, Ahmedabad.	Messrs. Popatlal Chimanlal & Co., Agents, Post Box No. 36, Ahmedabad.	18,040	17,747	600	496	5,591	972
50. National Mills Co., Ltd., Gomtipur Road, Ahmedabad.	Messrs. Chimanlal and Govindlal & Co., Ltd., Agents, Office on Mill premises.	19,712	19,445	492	475	2,636	926

Names of Mills.	Names of Agents or Owners and Office Addresses.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
51. New Commercial Mills Co., Ltd., Naroda Road, Ahmedabad.	Messrs. Tricumlal Bhogilal & Co., Ltd., Agents, Office on Mill premises.	36,556	35,417	792	747	5,556	1,431
52. New Maneckchowk Spinning and Weaving Co., Ltd., Outside Dariapur Gate, Railwaypura, Ahmedabad.	Messrs. Lalbhai Tricumlal, Agents, Office on Mill premises.	29,056	27,851	658	624	4,616	1,252
53. New National Mills, Ltd., Rakhial Road, Ahmedabad.	Messrs. Tricumlal Bhogilal Sons & Co., Agents, Office on Mill premises.	19,052	18,592	450	418	2,451	727
54. New Rajpur Mills Co., Ltd. (formerly Rajpur Mill, Ltd.), Gomtipur Road, Ahmedabad.	Messrs. Bhikhabhai Jivabhai & Co., Ltd., Agents, Office on Mill premises.	19,792	18,978	370	365	1,917	693
55. New Swadeshi Mills of Ahmedabad, Ltd. (formerly Ahmedabad Swadeshi Spinning and Mfg. Co., Ltd.), Naroda Road, Ahmedabad.	Messrs. The Cotton Agents Ltd., Mg. Agents, Imperial Bank Bldg., Bank Street, Fort, Bombay.	31,960	26,064	775	730	8,693	1,540
56. Nutan Mills, Ltd., Outside Nikoli Gate, Saraspur Road, Ahmedabad.	Messrs. Jagabhai Bhogilal Nanavaty & Co., Ltd., Agents, Office on Mill premises.	20,840	20,798	506	504	3,732	915
57. Patell Mills Co., Ltd. (formerly Gomtipur Spinning, Weaving and Manufacturing Co., Limited), Gomtipur Road, Ahmedabad.	Messrs. Dhirajlal Chunilal & Co., Agents, Office on Mill premises.	13,824	13,643	356	354	1,440	536
58. Raipur Manufaturing Co., Ltd., Outside Saraspur Gate, Ahmedabad.	Messrs. Lalbhai Dalpatbhai & Co., Agents, Post Box No. 54, Ahmedabad.	29,096	28,701	637	630	3,680	1,025
59. Rajnagar Spinning, Wvg. & Mfg. Co., Ltd., No. 1, Railwaypura Post, Camp Road, Ahmedabad.	Messrs. Mangaldas Girdhardas Parekh Ltd., Agents, No. 40, Ahmedabad.	15,220	15,133	624	553	5,534	750
60. Rajnagar Spinning, Wvg. & Mfg. Co., Ltd., No. 2, Railwaypura Post, Camp Road, Ahmedabad.	Messrs. Mangaldas Girdhardas Parekh Ltd., Agents, No. 40, Ahmedabad.	29,580	29,441	616	595		1,276
61. Rohit Mills, Ltd., Mithipur, Ahmedabad. ...	Messrs. Lallubhai Gordhandas Ltd., Agents, Kokhra Mehmedabad, Mithipur, Ahmedabad.	27,580	25,700	648	642	3,655	1,408
62. Rustom Jehangir Vakil Mills Co., Ltd., Outside Delhi Gate, Ahmedabad.	Messrs. Kantilal Shantilal & Co., Agents, Offices on Mill premises.	20,620	19,101	406	397	2,633	850
63. Sarangpur Cotton Manufacturing Co., Ltd., No. 1, Outside Raipur Gate, Ahmedabad.	Messrs. Sakarlal Balabhai & Co., Ltd., Agents, Office on Mill premises.	56,960	54,550	1,399	1,381	11,005	2,370
64. Sarangpur Cotton Manufacturing Co., Ltd., No. 2, Near Jaganath Mahadev, Ahmedabad.	Messrs. Sakarlal Balabhai & Co., Ltd., Agents, Office on Mill premises.						
65. Saraspur Mills, Ltd. (formerly Saraspur Manufacturing Co., Ltd.), Near Saraspur Gate, Ahmedabad.	Messrs. Lalbhai Dalpatbhai Sons & Co., Agents, Office on Mill premises.	35,324	35,184	856	803	7,098	1,429
66. Shorrock Spinning and Manufacturing Co., Ltd., Asarva Road, Ahmedabad.	Messrs. Mafatlal Chandulal & Co. (Ahmedabad) Ltd., Agents, Office on Mill premises.	33,664	32,217	720	710	5,245	1,324
67. Shree Anand Cotton Mills Ltd. (formerly Ahmedabad New Standard Mills Co., Ltd.), Near Saraspur Gate, Ahmedabad.	Messrs. Anandram Ratanlal Ltd., Agents, 357, Kalbadur Road, Bombay.	19,740	17,476	406	384	2,794	882
68. Shri Ambica Mills, Ltd. No. 1, Kankaria Loco. Siding, Railwaypura, Ahmedabad.	Messrs. Harivallabhdas Kalidas & Co., Agents, Post Box No. 112, Ahmedabad.	54,324	53,948	1,383	1,226	6,999	2,096
69. Shri Ambica Mills, Ltd. No. 2 (formerly Chandrakhant Mills, Ltd.), Near Susker Lake, Ahmedabad.	Messrs. Harivallabhdas Kalidas & Co., Agents, Post Box No. 112, Ahmedabad.						
70. Shrinagar Mills, Ltd., Saraspur Road, Railwaypura Post, Ahmedabad.	Messrs. Mooljee Jaitha & Co., Agents, Mooljee Jotha Bldg., Princess Street, Bombay.	18,228	17,109	486	451	3,688	875
71. Shri Vivekanand Mills, Ltd., Railwaypura, Rakhial Road, Ahmedabad.	Messrs. Nanubhai Maneklal & Co., Ltd., Agents, Office on Mill premises.	20,016	18,617	404	400	2,286	756
72. Silver Cotton Mills Co., Ltd., Kankaria Loco. Siding, Ahmedabad.	Messrs. Gopalbhai Balabhai & Co., Agents, Office on Mill premises.	21,188	20,235	506	500	4,678	1,061
73. Vijaya Mills Co., Ltd., Naroda Road, Ahmedabad.	Messrs. Haridas Achratlal & Sons, Agents, Office on Mill premises.	28,416	27,036	680	649	4,906	1,127
74. Vikram Mills, Ltd., Outside Saraspur Gate, Railwaypura, Ahmedabad.	Messrs. Ramanlal Lalubhai, Ltd., Agents, Office on Mill premises.	32,844	31,288	800	614	4,840	1,232
	Total ...	18,75,340	17,78,456	42,403	39,610	3,18,257	77,881

OTHER COTTON MILLS IN BOMBAY STATE

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
1. Abdul Samad Haji Lal Muhammad Weaving Factory, Bhiwandi (Thana District).	Khan Saheb Abdul Samad Haji Lal Muhammad, Owner, Office on Mill premises.	...	...	246	173	...	265
2. Anjar Spinning and Weaving Mills Co., Ltd. (formerly Kutch Spinning and Weaving Co., Ltd.), Anjar (Kutch).	P. V. Shah, Esq., Chairman, Office on Mill premises.	2,736	2,128	...	...	1,046	202
3. Baroda Spinning and Weaving Co., Ltd., Pani Gate, near Bhadra, Baroda.	Messrs. Javerchand Laxmichand & Co., Agents, Office on Mill premises.	30,376	30,292	644	644	5,317	1,260
4. Barsi Spinning and Weaving Mills, Ltd., Barsi Town (District Sholapur).	Messrs. Desai Sons & Co., Managing Agents, Office on Mill premises.	10,900	9,999	276	269	3,991	987
5. Bharat Spg. and Wvg. Co., Ltd., No. 1 (formerly Hubli Mills, Ltd.), Hubli.	Messrs. Purshotam Govindjee and Co., Managing Agents, Gool Mansion, Homji Street, Fort, Bombay.	2,700	27,661	604	604	5,454	1,557
6. Bharat Spg. and Wvg. Co., Ltd., No. 2 (formerly Hubli Mills, Ltd.), Hubli.	Messrs. Purshotam Govindjee and Co. Managing Agents, Gool Mansion, Homji Street, Fort, Bombay.	26,204					
7. Bharat Vijaya Mills, Ltd. (formerly Kalol Kapadia Spg. & Wvg. Mills Co., Ltd.), Kalol, (North Gujarat).	Messrs. Ramanlal Champaklal & Co., Agents, Office on Mill premises.	12,376	12,350	320	309	2,441	609
8. Broach Fine Counts Spinning and Weaving Co., Ltd. (formerly Broach Industrial Cotton Spinning and Weaving Co., Ltd.), Mohamadpura Road, Near Station, Broach.	Messrs. Brijlal Bilasrai & Co., Agents, Agakhan Building, Dalal Street, Fort, Bombay.	28,848	22,802	542	432	926	908
9. Chalisgaon Shri Laxmi Narayan Mills, Co., Ltd. (formerly Shri Laxmi Narayan Mills of the New Ginning, Pressing & Mfg. Co., Ltd.), Chalisgaon, East Khandesh.	Messrs. Narayan Bankat, Agent, Office on Mill premises.	22,636	22,256	604	541	4,281	1,208
10. Chhotalal Mills, Ltd. (formerly Kalol Cotton Mills Co., Limited), Kalol, (North Gujarat).	Messrs. Chotalal Hirachand & Co., Agents, Office on Mill premises.	18,056	18,056	456	408	3,281	790
11. Gaekwar Mills, Ltd., Billimora.	Messrs. H. M. Mehta & Co., Ltd., Agents, Office on Mill premises.	29,276	27,427	650	631	3,391	1,173
12. Gondalal Mills, Ltd. (formerly Bhagirath Spinning & Manufacturing Co., Ltd.), Jalgaon, East Khandesh.	Surajmal, Gondalal Badjatia, Esq., Managing Director, Office on Mill premises.	12,504	12,202	368	356	2,872	895
13. Gokak Mills, Ltd. (formerly Gokak Water Power & Mfg. Co. Ltd.), Gokak Falls, Belgaum District, S.M.C.	Messrs. Forbes, Forbes, Campbell & Co., Ltd., Agents, Forbes Building, Home Street, Fort, Bombay.	73,536	69,730	2	2	15,613	2,753
14. Gopal Mills Co., Ltd. (formerly Whittle Spg. & Mfg. Co., Ltd.) Mill No. 1, Mahatma Gandhi Road, Broach.	Messrs. Nanddas Haridas & Co., Agents, C/o The Vijaya Mills, Co., Ltd., Naroda Road, Ahmedabad.						
15. Gopal Mills Co., Ltd. (formerly Whittle Spg. & Mfg. Co., Ltd.) Mill No. 2, Mahatma Gandhi Road, Broach.	Messrs. Nanddas Haridas & Co., Agents, C/o The Vijaya Mills, Co., Ltd., Naroda Road, Ahmedabad.	21,748	21,256	652	526	4,450	1,239
16. Gopal Mills Co., Ltd. (formerly Whittle Sgp. & Mfg. Co., Ltd.) Mill No. 3, Mahatma Gandhi Road, Broach.	Messrs. Nanddas Haridas & Co., Agents, C/o The Vijaya Mills, Co., Ltd., Naroda Road, Ahmedabad.						
17. Jam Shri Ranjitsinghji Spinning and Weaving Mills, Co., Ltd., Sholapur.	Messrs. Lalji Naranji & Co., Agents, 11, Bank Street, Fort, Bombay.	20,620	20,314	611	495	6,292	1,587
18. Jayashankar Mills, Barsi, Ltd., Barsi Town ...	Messrs. Zadbuke & Co., Agents, Office on Mill premises.	11,840	11,559	...	...	3,415	743
19 Kanti Cotton Mills Ltd. (formerly Wadhwan Camp Mills), Surendranagar, Wadhwan Camp (Saurashtra).	Messrs. Chandulal Ratilal & Co., Mg. Agents, Office on Mill premises.	15,724	15,063	326	308	2,780	652
20. Keshav Mills Co., Ltd., Petlad	Messrs. Chandulal Keshavlal & Co., Agents, Office on Mill premises.	16,396	15,336	303	287	4,745	633
21. Khandesh Spinning and Wvg. Mills Co., Ltd., Jalgaon, East Khandesh.	Messrs. Indra Singh & Sons, Ltd., Secretaries and Treasurers, Cambatta Building, 42, Queen's Road, Back Bay Reclamation, Fort, Bombay.	23,656	21,495	465	457	2,413	1,026
22. Krishna Kumar Mills Co., Ltd., Mahuva (Saurashtra).	Messrs. Surendranath Maganlal & Co., Agents, Office on Mill premises.	8,496	8,204	...	...	2,896	352
23. Lakshmi Cotton Manufacturing Co., Ltd., Sholapur.	Messrs. The Bombay Co., Ltd., Secretaries, Treasurers and Agents, 9, Wallace Street, Fort, Bombay.	45,252	42,903	1,213	1,210	10,955	3,278
24. Lokamanya Mills, Barsi, Ltd., Barsi Town ...	Messrs. Sulakhe & Co., Managing Agents, Office on Mill premises.	9,562	8,789	...	...	2,667	580
25. Madhavnagar Cotton Mills, Ltd., P.O. Madhavnagar, Budhagaon (M.S.M.).	Messrs. Budhgaon Trading Co., Ltd., Mg. Agents, Office on Mill premises.	9,056	5,993	60	...	695	239
26. Mafatlal Fine Spg. and Manufacturing Co., Ltd., Vejalpur Road, Navsari.	Messrs. Navinchandra Purshotamdas & Co., Ltd., Agents, Office on Mill premises.	25,620	25,620	896	896	2,767	1,360
27. Mahalaxmi Mills, Ltd., Near Chawdi Gate, Bhavnagar.	Messrs. Hargovandas Jivandas & Sons, Ltd., Agents, Office on Mill premises.	18,952	16,842	406	393	5,955	1,196
28. Maharana Mills, Ltd., Porbandar (Kathiawar). ...	Shree Nanjibhai Kalidas Mehta, M.B.E., Owner, Swastik Bhuwan, Ugawda Road, Porbandar.	23,356	22,594	546	544	3,134	1,170
29. Marathe Textile Mills, Near Railway Station, Miraj (S.M.C.).	Messrs. B. K. Marathe & Sons, Partners, Office on Mill premises.	2,796	1,935	...	...	260	148
30. Narayandas Chunilal Cotton Spg. and Wvg. Mills, (formerly Gadag Cotton Spinning and Weaving Mills), Gadag, Dharwar (West).	Messrs. Narayandas Chunilal, 312, Kalbadevi Road, Bombay No. 2.	12,824	10,794	214	167	1,649	608
31. Narsinggirji Manufacturing Co., Ltd., Station Road, Sholapur.	Dhanrajgir Raja Narsinggirji, Agent, Office on Mill premises.	58,008	54,185	1,170	1,158	9,624	3,118

OTHER COTTON MILLS IN BOMBAY STATE

	NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
32.	Navjivan Mills, Ltd. (formerly Kalol Swadeshi Mills Co., Ltd.), Kalol, North Gujarat.	Messrs. Rustomjee Mangaldas & Co., Agents, Office on Mill premises.	22,302	22,214	510	503	3,101	1,049
33.	Navsari Cotton and Silk Mills, Ltd. (formerly New Darbanga Mills), Navsari.	Messrs. H. M. Mehta & Sons, Ltd., Agents, Navsari.	18,520	17,053	435	432	2,289	813
34.	New Chhotalal Mills, Ltd. (formerly Khadi Laxmi Cotton Mills Co., Ltd.), Khadi.	Messrs. Chhotalal Hirachand & Sons, Agents, Hirabag, Ellis Bridge, Ahmedabad	19,056	19,056	404	380	3,174	799
35.	New India Industries, Ltd., Jetalpur Road, Baroda.	Messrs. Distributors (Baroda) Ltd., Agents, Race Course Road, Baroda.	7,660	7,480	...	...	1,175	380
36.	New Jehangir Vakil Mills Co., Ltd. (formerly Venishunker Luxmishunker Cotton Mills Co., Ltd.), Bhavnagar.	Messrs. Rustomji Mangaldas & Co., Agents, Bhavnagar.	31,940	31,478	718	692	5,997	1,571
37.	New Pratap Spg., Weaving and Mfg. Co., Ltd., Dhulia, W. Khandesh.	Messrs. Motilal Maneckchand & Sons, Agents, Office on Mill premises	46,136	44,373	1,058	1,021	6,623	2,194
38.	New Shorrock Spinning and Manufacturing Co., Ltd. (formerly Nadiad Swadeshi Spinning, Weaving and Manufacturing Co., Ltd.), Nadiad, Dist., Kaira.	Messrs. Mafatlal Chandulal & Co., Ltd., Secretaries, Treasurers and Agents, Asarva Road, Railwaypura Post, Ahmedabad.	46,352	44,746	864	859	5,295	1,831
39.	Niranjan Mills, Ltd. (formerly Tikayaram Mills), Falsawadi, Surat.	Messrs. Shapoorji & Co., Agents, Office on Mill premises.	8,044	7,325	320	278	1,387	450
40.	Petlad Bulakhidas Mills Co., Ltd., Near Station Road, Petlad (*Via* Anand).	Messrs. Motilal Kashandas & Co., Secs., Treasurers & Agents, Station Rd, Petlad.	18,256	18,111	...	...	5,899	694
41.	Prabha Mills (formerly Viramgam Mills Ltd.), Fulwadi Road, Viramgam.	Messrs. Janak Ltd., Owners, 59, Forbes Street, Fort, Bombay.	23,688	21,451	558	535	4,556	1,157
42.	Pratap Spg., Wvg and Mfg. Co., Ltd. (1 & 2), Amalner, East Khandesh.	Messrs. Motilal Maneckchand & Co., Agents, Office on Mill premises.	48,952	47,484	1,087	1,046	9,270	2,614
43.	Raja Bahadur Motilal Poona Mills, Ltd. (formerly Poona Cotton and Silk Manufacturing Co., Ltd.), 5, Kennedy Road, Poona.	Messrs. Raja Mukundlal Bansilal & Sons, Agents, Hamam House, Hamam St., Fort, Bombay.	16,808	15,948	582	510	4,603	947
44.	Raja Raghunathrao Mills, Bhor	Messrs. Maharashtra Textiles, Ltd., Owners, Office on Mill premises.	852	...	41	26	...	80
45.	Rajkot Spg. & Wvg. Mills, Ltd., Karansinghji Cross Road, Karanpura, Rajkot (Kathiawar).	Messrs. Shapoorji Palloaji & Co., Ltd., Agents, Office on Mill premises.	10,872	10,052	203	181	2,264	542
46	Rajratna Naranbhai Mills Co., Ltd., Petlad ...	Messrs. Ramanlal Keshavlal & Co., Agents, Office on Mill premises.	18,560	18,560	378	378	3,960	850
47.	Santokbai Spinning & Weaving Factory, Nari Road, Bhavnagar.	Messrs. Govindlal Gandalal Gundigara, Owners, Office on Mill premises.	3,272	...	...	...	...	...
48.	Secunder Sari Mills, Sowdagar Mohalla, Bhiwandi (Thana District).	Abdul Quadir Secunder Patel, Esq., Owner, Office on Mill premises	...	...	103	92	...	66
49.	Sholapur Spinning and Weaving Co., Ltd., Station Road, Sholapur.	Messrs. Morarka & Co., Agents, Standard Building, Fort, Bombay.	1,05,296	93,868	2,234	2,058	16,034	7,196
50.	Shree Balaji Spinning, Weaving & Oil Mills, Extension Part, Sangli.	Jaynarayan Shivnath Ladda, Esq., Proprietor, Office on Mill premises.	5,140	5,025	94	85	227	250
51.	Shree Digvijayasinghji Spg. & Wvg. Mills, Bedeshwar Bunder Road, Jamnagar.	Messrs. Chaitanyakumar Mangaldas & Co., Ltd., Agents, Office on Mill premises.	13,704	10,623	100	78	4,865	681
52.	Shree Hari Cotton Mills Ltd. (formerly Siddhraj Mills), Near Railway Station, Siddhpur (N.G.).	Messrs. Jalan Bros., Proprietors, Office on Mill premises	3,262	...	...	...	...	...
53.	Shree Harshad Textile Mills, Jamnagar	Messrs. P. V. Shah, D. K. Shah & G. M. Maroo, Partners, Office on Mill premises.	...	...	92	72	...	165
54.	Shri Ramesh Cotton Mills Ltd. (formerly Morvi Cotton Mills Ltd.), Morvi (Kathiawar).	Messrs. The Morvi Industries Ltd., Agents, Office on Mills premises.	11,988	10,788	324	268	2,580	707
55.	Shree Sayaji Jubilee Cotton & Jute Mills Co., Ltd., Sidhpur (R.-M. Railway) Opposite Ry. Station.	Messrs. Prelhadji Sevakram & Co., Agents, Opposite Station, Sidhpur.	14,412	13,610	320	312	2,584	771
56.	Shree Vijaylaxmi Cotton Mills, Ltd. (formerly Cambay State Mills), Husein Yawar Road, Cambay (Dist. Kaira).	The Textile Agents Ltd., Agents, Office on Mill premises.	17,936	17,399	336	332	1,694	703
57.	Shree Yamuna Mills Co., Ltd. (formerly New Baroda Mills Co., Ltd.), Goya Gate, Baroda.	Messrs. Zaverchand Laxmichand Bros. & Co., Agents, Office on Mill premises.	23,772	22,901	608	579	3,051	1,133
58.	Shri Amarsinghji Mills, Ltd., Wankaner (Kathiawar) I, II.	Messrs. Jayantilal Amratlal & Co., Ltd., Agents, Office on Mill premises.	12,624	12,572	320	304	3,400	718
59.	Shri Gajanan Mills, Sudamapuri, Sangli, S.M.C. ...	Mr. V. R. Velankar, Proprietor, Office on Mill premises.	5,376	...	135	76	...	159
60.	Shri Jagdish Mills, Ltd. (formerly Maharaja Mills Co., Ltd.), Padra Road, Baroda.	Messrs. Jagdish (Agency) Ltd., Office on Mill premises.	20,320	19,484	408	394	3,036	938
61.	Shri Laxmi Textile Mills, Ltd., Bhor	Messrs. Bhor Mercantile Agency Ltd., Agents, Office on Mill premises.	4,088	3,504	...	...	614	167
62.	Shri Narayan Weaving Mills, Ichalkaranji, S.M.C.	Messrs. Sangle Bros., Owners, Office on premises.	...	...	92	46	...	110
63.	Shri Sayaji Mills Co., Ltd., Near Ry. Station, Baroda.	Messrs. Vadilal Lallubhai & Co., Office on Mill premises.	25,780	25,580	502	488	5,483	1,100
64.	Shri Shahu Chhatrapati Mills, Shahupuri, Kolhapur, S. M. C.	Messrs. James, Finlay & Co., Ltd., Agents, Chartered Bank Building, Fort, Bombay.	15,988	15,530	319	318	4,122	671
65.	Sidhpur Mills Co., Ltd., Sidhpur	Messrs. Maganlal Parbhudas & Co., Agents, Office on Mill premises.	19,264	19,116	...	...	5,087	584
66.	Surat Cotton Spinning and Weaving Mills, Ltd., Nawabwadi, Surat.	Mr. Navinchandra Mafatlal, Mg. Director, 29, Churchgate Street, Fort, Bombay.	21,332	21,224	392	384	2,336	888
67.	Tikekar Textile Mill, Ltd., Tikekarwadi, Sholapur District.	Messrs. Naik and Company, Agents, Office on Mill premises.	...	...	60	40	...	133
68.	Venkatesh Rang Tantu Mills, Ichalkaranji, S.M.C., Opp. Ry. Station, Nandol.	Messrs. S. K. Datar, A. V. Datar, Y. V. Datar & M. V. Datar, Owners, Office on Mill premises.	...	...	56	21	...	56
69.	Venus Textile Mills, Ltd., Degham	Messrs. T. Bhogilal & Sons, Ltd., Agents, Office on Mill premises.	3,452	2,667	...	...	498	97
70.	Vishnu Cotton Mill, Ltd., Sholapur	Messrs. The Bombay Co., Ltd., Secretaries, Treasurers and Agents, 9, Wallace Street, Fort, Bombay.	44,600	42,467	1,433	1,422	11,707	3,380
		Total ...	13,03,938	12,20,454	25,680	25,020	2,40,300	66,920

COTTON MILLS IN OTHER STATES

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
RAJPUTANA.							
1. Edward Mills Co., Ltd., Beawar.	Rai Saheb Seth Motilal Raniwala, Mg. Director, Diggi Street, Beawar.	20,488	19,345	376	306	5,474	1,053
2. Jaipur Spg. & Wvg. Mills Ltd., Near Power House, Jaipur.	Messrs. Shree Laxmi Traders Ltd., Mg. Agents, Jobner Baug, Jaipur.	5,096	4,185	...	...	1,465	205
3. Kotah Textiles Ltd., Bhimgunj, Kotah Jn. ...	Messrs. Sagarmal Spg. & Wvg. Mills Ltd., Mg. Agents, Office on Mill premises.	7,590	5,700	160	115	951	440
4. Krishna Mills, Ltd., Near Ry. Station, Beawar. ...	Messrs. Thakurdas Khinvraj & Co., Secretaries, Treasurers and Agents, Beawar.	18,268	17,597	636	584	7,240	1,351
5. Mahalakshmi Mills Co., Ltd., Beawar.	R. S. Seth Lalchand Kothar, Mg. Director, Beawar.	13,728	13,230	416	403	3,610	825
6. Maharajah Kishengarh Mills, Ltd., Madanganj, Kishengarh.	Messrs. Soni Industrial Agencies, Ltd., Mg. Agents, Madangunj, Kishengarh.	26,650	23,900	394	330	9,407	1,210
7. Maharajah Sri Umaid Mills, Ltd., Pali-Marwar. ...	Messrs. The Shree Krishna Agency Ltd., Agents, Office on Mill premises.	17,136	17,136	428	425	11,363	1,308
8. Meawar Textile Mills, Ltd., Bhilwara.	Messrs. Sobhagmal Sampatmal Lodha, Managing Agents, Office on Mill premises.	7,812	7,534	250	226	5,143	547
9. Shree Bijay Cotton Mills, Ltd. (formerly Bijay Laxmi Cloth Mills Co.), Near Ry. Station, Bijaynagar (Ajmer).	Seth Raghunathsing Mansinghka, Mg. Director, Office on Mill premises.	11,560	7,164	327	268	2,812	612
10. Shree Mahadeo Cotton Mills, Ltd., Bhilwara. ...	Seth Sanwarmal Mansinghka, Mg. Director, Office on Mill premises.	4,540	2,892	45	...	631	248
	Total ...	1,32,868	1,18,692	3,032	2,663	48,086	7,799
BERAR.							
1. Berar Manufacturing Co., Ltd., Badnera.	Messrs. Kasturchand Dadabhoy & Co., Agents, Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay.	21,384	19,663	369	325	4,713	1,164
2. R. S. Reckchand Gopaldas Mohota Spg. and Wvg. Mills, Ltd. (formerly Akola Cotton Mills, Ltd.), Akola.	Messrs. Bulakidas Mohota & Co., Ltd., Mg. Agents, Office on Mill premises.	21,876	20,745	466	459	6,696	1,341
3. Savatram Ramprasad Mills Co., Ltd., Tajnapeth, Akola.	Messrs. Savatram Sons Ltd., Agents, Akola.	13,096	12,462	307	281	4,072	635
4. Vidarbha Mills, Berar, Ltd., Ellichpur, Amraoti District.	Messrs. Deshmukh & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	12,092	11,591	347	316	3,285	804
	Total ...	68,448	64,461	1,489	1,381	18,766	3,944
MADHYA PRADESH.							
1. Bengal-Nagpur Cotton Mills, Ltd., Rajnandgaon.	Messrs. Shaw Wallace & Co., Managing Agents, 4, Bankshall Street, Calcutta.	31,476	29,766	608	603	7,448	2,021
2. Burhanpur Tapti Mill, Ltd., Burhanpur, Lal Bag, Nimar District.	Messrs. P. N. Mehta & Sons, Agents, Cooks Building, Hornby Road, Fort, Bombay.	29,512	27,500	604	595	6,581	1,832
3. Central India Spinning, Weaving and Mfg. Co., Ltd. (Empress Mills), Nagpur.	Messrs. Tata Industries Ltd., Mg. Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	1,15,188	96,476	2,158	2,027	21,129	6,929
4. Model Mills, Nagpur, Ltd., Umrer Road, Nagpur.	Messrs. Bansilal Abirchand Dadabhoy & Co., Agents, Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay.	52,408	47,614	952	936	11,859	2,550
5. Pulgaon Cotton Mills, Ltd. (formerly Pulgaon Cotton Spinning, Weaving and Manufacturing Co., Ltd.), Pulgaon, Dist. Wardha.	Messrs. Hardayal Sons, Mg. Agents, 59, Apollo Street, Fort, Bombay.	15,728	14,660	245	215	3,861	1,234
6. Rai Bahadur Bansilal Abirchand Spinning and Weaving Mills, Hinganghat, Dist. Wardha.	Shrimati Sodrudevi N. Daga and Others, Owners, Office on Mill premises.	31,600	29,634	395	372	4,622	1,680
7. Rai Saheb Rekchand Mohota Spinning and Weaving Mills, Ltd., Hinganghat, Dist. Wardha.	Seth Mathuradas Mohota, Mg. Director, Hinganghat.	21,672	20,874	412	399	3,897	1,426
	Total ...	2,97,584	2,66,324	5,384	5,147	59,397	17,672
BIHAR.							
1. Bihar Cotton Mills, Ltd., Phulwari-Sharif, Patna.	Messrs. Kashinath & Co., Ltd., Mg. Agents, P. O. Phulwari Sharif, Patna.	7,632	6,137	159	152	1,445	428
2. Gaya Cotton and Jute Mills, Ltd., Gaya	Mr. P. Prasad Bhadani, Managing Director, Office on Mill premises.	20,200	12,139	586	345	1,677	992
	Total ...	27,832	18,276	745	497	3,122	1,420

COTTON MILLS IN OTHER STATES

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
HYDERABAD (NIZAM'S TERRITORY).							
1. Aurangabad Mills, Ltd., Aurangabad.	Messrs. Gupta Sons, Ltd., Mg. Agents, Empire House, Hornby Road, Fort, Bombay.	16,548	13,911	271	194	2,744	1,265
2. Azam Jahi Mills, Ltd. Warrangal.	The Industrial Trust Fund, H.E.H. the Nizam's Government, Agents, 159, Gunfoundry Road, Hyderabad (Deccan).	19,944	19,813	432	426	9,403	1,362
3. Dewan Bahadur Ramgopal Mills, Ltd., Elchigudda, Secunderabad, Deccan.	Messrs. Lachminarayan Ramgopal & Sons, Ltd., Agents, Post Box No. 5, Secunderabad (Deccan).	16,376	15,420	303	284	3,732	977
4. Hyderabad (Deccan) Spg. and Wvg. Co., Ltd., Elchigudda, Secunderabad (Deccan).	Messrs. Ramanna Bhoomiah and Venkata Krishniah, Agents, Post Box No. 15, Secunderabad (Deccan).	13,080	9,589	241	182	1,369	819
5. Mahaboob Shahi Kulburga Mills Co., Ltd., Gulbarga.	Messrs. Dayaram Surajmal Lahoti, Agents, Begumpet (Deccan).	27,764	27,704	600	507	5,840	1,672
6. Osmanshahi Mills, Ltd., Nanded.	The Industrial Trust Fund, H.E.H. the Nizam's Government, Agents, 159, Gunfoundry Road, Hyderabad (Deccan).	25,580	24,226	625	607	9,810	1,630
	Total ...	1,19,292	1,10,663	2,472	2,200	32,898	7,725
CENTRAL INDIA.							
1. Bhopal Textiles Ltd., Bhopal.	Messrs. Sir J. P. Srivastava & Sons (Rampur) Ltd., Office on Mill premises.	15,004	13,877	400	386	6,434	924
2. Binod Mills Co., Ltd. (Binod Mills), Ujjain, Gwalior.	Messrs. Binodiram Balchand Ltd., Secretaries, Treasurers and Agents, Office on Mill premises.	35,300	33,995	857	818	} 10,646 (Nos. 2 and 3)	2,019
3. Binod Mills Co., Ltd. (Deepchand Mills, formerly Sipra Cotton Mill), Gwalior.	Messrs. Binodiram Balchand Ltd., Secretaries, Treasurers and Agents, Office on Mill premises.	17,084	16,395	430	461		838
4. Hira Mills, Ltd., Ujjain.	Sir Sarupchand Hukamchand & Co., Agents, Sitalmata Bazar, Indore.	26,732	23,524	864	780	8,567	1,427
5. Hukamchand Mills, Ltd., Indore	Messrs. Sarupchand Hukamchand & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	44,388	42,490	1,488	1,422	15,443	3,535
6. Indore-Malwa United Mills, Ltd., (Old Mills), Indore City.	Messrs. Govindram Seksaria, (Indore), Mg. Agents, 139, Medows Street, Fort, Bombay.	} 52,602 (Nos. 6 and 7)	49,728	1,420	1,205	18,127	3,395
7. Indore-Malwa United Mills, Ltd., (New Mills), Indore City.	Messrs. Govindram Seksaria, (Indore), Mg. Agents, 139, Medows Street, Fort, Bombay.						
8. Jiyajeerao Cotton Mills, Ltd., Gwalior, (Near Morar Road Station).	Messrs. Birla Bros., (Gwalior) Ltd., Managing Agents, Office on Mill premises.	45,880	43,069	1,456	1,378	20,626	2,475
9. Kalyanmal Mills, Ltd., Indore.	Messrs. Tillockchand Kalyanmal & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	36,412	35,985	980	960	10,734	2,795
10. K. S. Nazarali Mills (with Receiver), Nijatpura, Ujjain.	Khan Sahob Seth Alabakhshji Muniruddin Nazaralli, Proprietor, Office on Mill premises.	16,940	15,000	379	360	3,200	720
11. Motilal Agarwal Mills, Ltd., Gwalior, (Near Morar Road Railway Station).	L. Bansidar Bansal, Esq., Mg. Director, Office on Mill premises.	13,300	10,121	...	...	2,783	334
12. Nandlal Bhandari Mills, Ltd., Indore.	Messrs. Nandlal Bhandari and Sons, Secretaries, Treasurers and Agents, Office on Mill premises.	28,008	27,162	771	759	12,387	1,737
13. Rai Bahadur Kanhaiyalal Bhandari Mills, Ltd (formerly the Maharajah Mill), Malgodown Road, Indore.	Messrs. Nandlal Bhandari & Sons, Agents, Office on Mill premises.	15,696	12,798	351	338	3,960	912
14. Rajkumar Mills, Ltd., Silnath Camp Road, Indore.	Sir Sarupchand Hukamchand & Co., Agents, Office on Mill premises.	19,728	19,453	701	640	6,150	1,657
15. Shree Sajjan Mills, Ltd. (formerly Rutlam Bombay United Spg. and Wvg. Co., Ltd.), Ratlam.	Messrs. Gopaldas Liladhar & Co., Ltd., Agents, Office on Mill premises.	15,824	15,515	440	418	5,144	1,207
16. Shri Maharani Mahalsabai Cotton Mills Co., Ltd., Dewas Junior.	Seth Dwarkadas Dharamsey, Agent, Station Road, Ratlam.	10,244	9,409	...	...	1,430	312
17. Swadeshi Cotton and Flour Mills, Ltd., Silnath Camp, Indore City.	Messrs. Jagannath Narayan & Co., Managing Agents, Office on Mill premises.	14,564	14,225	362	353	7,047	1,033
	Total ...	4,07,706	3,83,746	10,949	10,276	1,32,678	25,320
WEST BENGAL.							
1. Arati Cotton Mills Ltd., Dassnagar, Howrah. ...	Messrs. Dass Bros. Mg. Agents, 29, Strand Road, Calcutta.	2,742	1,853	140	48	59	119
2. Banga Sri Cotton Mills, Ltd., Sodepore (24, Parganas).	Messrs. Shah Chaudhury & Co., Ltd., Agents, 23, Hurro Chunder Mullick St., Calcutta.	10,728	9,931	276	276	1,614	495
3. Bangeswari Cotton Mills, Ltd., Serampore, Hoogly.	Dr. Norendranath Law, Managing Director, 63, Radhabazar, Calcutta.	9,800	9,072	300	290	1,256	494
4. Bangodaya Cotton Mills Ltd., Panihati, District, 24-Parganas.	Messrs. Ranjit Ltd., Mg. Agents, Panihati, (24 Parganas).	...	...	340	320	...	544

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
5. Basanti Cotton Mills, Ltd., Barrackpore Trunk Road, Panihati, 24 Parganas.	Messrs. The Calcutta Agencies, Ltd., Mg. Agents, 24, Netaji Subhas Road, Calcutta.	12,664	12,384	356	352	1,602	768
6. Bengal Belting Works, Ltd., Bosepura Lane, Serampore.	Messrs. S. K. Roy & Co., Ltd., Mg. Agents, 2, Dalhousie Square East, Calcutta.	1,980	1,680	102	43	362	274
7. Bengal Luxmi Cotton Mills, Ltd., Mahesh, Serampore, Dist. Hooghly.	Messrs. The Bengal Textile Agency, Agents, 11, Clive Row, Calcutta.	35,916	34,807	936	904	3,524	1,691
8. Bowreah Cotton Mills Co., Ltd., Bowreah, Dist. Howrah.	Messrs. Kettlewell Bullen & Co., Ltd., Mg. Agents, 21, Strand Road, Calcutta.	42,872	42,872	895	835	5,816	2,135
9. Dunbar Mills, Ltd., No. 1, Shamnagar (District 24-Parganas). 10. Dunbar Mills, Ltd., No. 2, Shamnagar (District 24-Parganas). 11. Dunbar Mills, Ltd., No. 3, Shamnagar (District 24-Parganas). 12. Dunbar Mills, Ltd., No. 4, Shamnagar (District 24-Parganas).	Messrs. Kettlewell Bullen & Co., Ltd., Agents, 21, Strand Road, Calcutta.	42,944	41,274	518	518	6,520	2,115
13. East India Cotton Mills, Ltd., Maurigram, Howrah District.	Mr. S. P. Chakravarit and Mr. Manabendra Mohan Kundu Chowdhury, Mg. Directors, 120, Maharshi Debendra Road, P.O. Hatkola, Calcutta.	...	...	96	58	...	100
14. Hindustan Cotton Mills, Ltd., Belgurriah, 24 Parganas.	Dr. A. C. Sen Gupta, Mg. Director, Calcutta National Bank Buildings, P. 2 Mission Row Extension, Calcutta.	...	...	120	56	...	82
15. Hooghly Cotton Mills, Serampore	Mr. A. W. Sen, Proprietor, Serampore ..	...	...	...	...	...	...
16. Kesoram Cotton Mills, Ltd. (formerly Allied Cotton and Dye Works, Ltd.), 42, Garden Reach Road, Calcutta.	Messrs. Birla Bros., Ltd., Agents, 8, Royal Exchange Place, Calcutta.	57,900	48,270	1,990	1,874	17,123	4,031
17. Mahalaxmi Cotton Mills, Ltd., Falta, 24-Parganas.	Messrs. H. Datta & Sons, Ltd., Mg. Agents, 15, Clive Street, Calcutta.	5,788	5,391	169	166	1,079	347
18. Manindra Mills Ltd., Cossimbazar, Murshidabad, West Bengal.	Messrs. Choudhury Roy & Co., Ltd., 23, Hurro Chunder Mullick Street, Calcutta.	...	...	144	133	...	300
19. Mohini Mills, Ltd. (Mill No. 2), Belghurriah, 24 Parganas.	Messrs. Chakravarti Sons & Co., Managing Agents, 22, Canning Street, Calcutta.	17,320	15,893	334	331	3,248	844
20. Rampooria Cotton Mills Ltd. (formerly Shri Narsing Cotton Mill), Serampore, Mohesh, E.I. Ry., Bengal.	Messrs. Hazarimull Heeralal, Mg. Agents, 148, Cotton Street, Calcutta.	23,196	22,319	795	649	4,340	1,403
21. Shree Hanuman Cotton Mills Co. (formerly New Ring Mill Co., Ltd.), Fuleshwar, P.O. Uluberia, Dist. Howrah.	Messrs. Partabmul Rameshwar & Nursing & Co., Owners, 46, Strand Road, Calcutta.	24,196	23,333	...	...	3,790	770
22. Shree Radha Krishna Cotton Mills, Ltd., Mill No. 1 (formerly Goosery Cotton Mills) (in liquidation), 122, Old Ghusory Road, Howrah.	Messrs. Sadhuram Tularam, Managing Agents, 122, Ghusery Road, Howrah.	23,232	...	...	...	...	...
23. Shree Radha Krishna Cotton Mills, Ltd., Mill No. 2 (formerly Jajodia Cotton Mills, Ltd.), 175, Girish Ghosh Road, Belur, Howrah Dist.	Messrs. Sadhuram Tularam, Managing Agents, 122, Ghusery Road, Howrah.	18,732	15,550	564	532	1,796	990
24. Shree Radhesyam Mills, Ltd. (formerly Bharat Abhyuday Cotton Mills, Ltd.), 220, Naskarpara Road, Ghusury, Howrah.	Messrs. Sovaram Keshavdeo, Mg. Agents, 135, Canning Street, Calcutta.	45,366	31,312	416	403	5,102	1,669
25. Siddheswari Cotton Mills, Anantapur, Howrah ...	Messrs. Manna Mondal and Mullick Co., Owners, Office on Mill premises.	...	...	112	70	...	92
26. Sri Durga Cotton Spg. and Wvg. Mills, Ltd., Konnagar (E. I. Ry.)	Messrs. Choudhury & Co., Ltd., Agents, 23, Hurroch under Mullick Street, Calcutta.	6,228	5,110	220	216	1,370	432
27. Swadeshi Industries Ltd., Panihatti	Messrs. Anandram Gajadar, Mg. Agents, 100, Netaji Subash Road, Calcutta.	...	...	151	129	...	320
28. Victoria Cotton Mills, Ghoosery, Salkia P.O., Howrah District.	Messrs. Partabmull Rameshwar & Nursing & Co. Proprietors, 46, Strand Road, Calcutta.	12,304	11,980	...	...	1,241	365
29. Vidyasagar Cotton Mills, Ltd., Sodepur, Dist. 24 Parganas.	Messrs. United Commercial Agency, Ltd., Agents, 11, Caleotola Street, Calcutta.	...	...	156	138	...	223
	Total ...	3,93,908	3,33,031	9,070	8,350	59,842	20,603
EAST PUNJAB.							
1. Dayalbagh Spg. and Wvg. Mills (formerly Benkateswar Cotton Mill, Ltd.), Puthgarh, G. T. Road, Amritsar.	Sir Sahabji Maharaj Mills, Ltd., Proprietors, Office on Mill premises.	12,148	4,540	252	88	636	270
2. Punjab Cloth Mills, Ltd., Bhiwani (Dist. Hissar)...	Mr. Radhakrishen Puranmal, Managing Director, Bhiwani.	7,908	7,582	225	221	2,487	589
3. Seth Spinning Ltd. (formerly Amritsar Spg. Mills), G. T. Road, Amritsar.	Messrs. Chunilal Seth & Bros. Ltd., Mg. Agents, Office on Mill premises.	4,648	1,188	39	30	224	64
4. Technological Institute of Textiles (formerly Bhiwani Cloth Mills, Ltd.), Bhiwani.	Birla Education Trust, Agents, Pilani, (Jaipur)	15,160	13,146	308	271	4,505	802
	Total ...	39,864	26,456	824	610	7,852	1,725
DELHI PROVINCE.							
1. Birla Cotton Spinning and Weaving Mills, Ltd. (formerly Hanoman and Mahadeo S. and W. Mills), Subzimundi, Delhi.	Messrs. Birla Bros. Ltd., Agents, 8, Royal Exchange Place, Calcutta.	32,028	29,651	960	797	11,354	1,790

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
2. Delhi Cloth and General Mills Co., Ltd., Mill No. 1, Rohtak Road, Delhi.	Sir Shankar Lall, Mg. Director, Bara Hindu Rao, P. B. No. 39, Delhi.						
3. Delhi Cloth and General Mills Co., Ltd., Mill No. 2, Rohtak Road, Delhi.	Sir Shankar Lall, Mg. Director, Bara Hindu Rao, P. B. No. 39, Delhi.	75,184	73,079	1,829	1,817	32,490	4,264
4. Delhi Cloth and General Mills Co., Ltd., Mill No. 3, Rohtak Road, Delhi.	Sir Shankar Lall, Mg. Director, Bara Hindu Rao, P. B. No. 39, Delhi.						
5. Swatantra Bharat Mills, Najafgarh Road, Delhi ...	The Delhi Cloth and General Mills Co., Ltd. (Delhi), Owners.	25,680	17,737	528	218	8,124	576
6. Goenka Cotton Spinning and Weaving Mills Co., Ltd., Mahabir Cotton Spinning Co., Ltd., Grand Trunk Road, Delhi.	Messrs. Parsram Harnandrai, Managing Agents, Khatra Tobacco, Khari Baoli, Delhi.	...	...	307	307	...	...
7. Lakhmi Chand Jaipuria Mills (Mahabir Cotton Spinning and Weaving Co., Ltd., Leaseholders), Subzimundi, Delhi.	R. S. Seth Ram Cowar Jaipuria, Owner, Office on Mill premises.	14,712	6,625	226	120	1,269	433
	Total ...	1,47,604	1,27,092	3,850	3,259	53,237	7,065
UTTAR PRADESH.							
1. Atherton Mills, Anwarganj, Kanpur	Messrs. Atherton West & Co., Ltd., Owners, Post Box No. 67, Kanpur.	38,300	38,300	898	890	8,930	1,562
2. Benares Cotton and Silk Mills, Ltd., Chowkaghat, Benares Cantonment.	Messrs. Sital Prasad Kharag Prasad, Mg. Agents, Office on Mill premises.	23,112	19,377	503	398	6,491	1,134
3. Bijli Cotton Mills, Ltd., Hathras (formerly Tulsidas Tejpal Mills, Ltd.), Sasni Gate, Menda Road, Hathras City.	Messrs. N. K. Ltd., Mg. Agents, Freegunj, Agra.	12,780	11,889	20	11	5,621	560
4. Cawnpore Cotton Mills Co. (C.C.M.), Cooperganj, Kanpur.	The British India Corporation, Ltd., Owners, Post Box No. 3, Kanpur.	45,296	44,379	972	966	19,601	2,569
5. Cawnpore Cotton Mills Co. (Juhi), Juhi, Kanpur.	The British India Corporation Ltd., Owners, Post Box No. 3, Kanpur.	26,352	26,061	...	...		650
6. Cawnpore Textiles, Ltd., Cooperganj, Kanpur ...	Messrs. Begg Sutherland & Co., Ltd., Mg. Agents, Sutherland House, Kanpur.	23,936	23,742	510	509	7,995	845
7. Dayalbagh Textile Mills, Ltd., Dayalbagh, Agra...	Messrs. Social Security and Service Corporation Ltd., Agents, Dayalbagh.	...	...	72	10	...	35
8. Elgin Mills Co., Ltd., Civil Lines, Kanpur ...	Messrs. Begg Sutherland & Co., Ltd., Mg. Agents, Sutherland House, Kanpur.	52,652	49,327	1,198	1,159	21,278	2,646
9. Indra Spg. and Wvg. Mills (formerly Agra Spg. and Weaving Mills Co., Ltd.), Jeoni ka-Mandi, Agra.	Seth Suganchand, Owner, Office on Mill premises.	13,920	13,108	...	...	1,401	329
10. John's Mills Co. (formerly John's Coronation Spg. Mill), Jeoni-ki-Mandi, Agra.	Mr. J. E. John, Mr. M. L. John & Mrs. D. John Merzans, Owners, 46, Cantt., Agra.						
11. John's Mills Co. (formerly John's Princess of Wales Spinning Mill), Jeoni-ki-Mandi, Agra.	Mr. J. E. John, Mr. M. L. John & Mrs. D. John Merzans, Owners, 46, Cantt., Agra.	51,360	27,960	...	...	8,699	1,700
12. John's Mills Co. (formerly John's Spg. Mill), Jeoni-ki-Mandi, Agra.	Mr. J. E. John, Mr. M. L. John & Mrs. D. John Merzans, Owners, 46, Cantt., Agra.						
13. J. K. Cotton Manufacturers Ltd., Darshanpura, Kamlapat Road, Kanpur.	Messrs. J. K. Commercial Corpn. Ltd., Managing Agents, Kamla Tower, Kanpur.	22,400	20,167	30	24	6,886	705
14. Juggilal Kamlapat Cotton Spg. and Wvg. Mills Co., Ltd., Anwarganj, Juhi, Kanpur.	Sir Padampat Singhania, Mg. Director, Dwarkadas Road, Kamla Tower, Kanpur.	44,964	43,220	969	924	7,930	1,804
15. Kanauj Dyeing & Wvg. Mills, Moh. Patanala Kanauj, U.P.	Mr. L. Manilal Benimadhava, Owner, Office on Mill premises.	...	...	58	30	...	75
16. Lakshmiratan Cotton Mills Co., Ltd., Kalpi Road, Kanpur.	Messrs. B. R. Sons, Mg. Agents, Behari Niwas, Kanpur.	29,340	26,340	773	504	3,457	804
17. Lalla Mal Hardeo Dass Cotton Spinning Mill Co., Sadabad Gate, Hathras City, Aligarh District.	Mr. Sheo Pershad, Controller, Office on Mill premises.	10,882	10,092	...	...	4,025	476
18. Modi Spg. & Wvg. Mills, Ltd., Modinagar (Meerut).	Messrs. R. B. Gurjarmal Modi & Bros., Mg. Agents, Office on Mill premises.	20,000	18,000	380	305	324	854
19. Moradabad Spinning and Weaving Mills Co., Ltd., Moradabad.	Lala Hari Raj Swarup, Mg. Director, Kundunpur, Moradabad.	13,796	12,247	...	...	1,032	419
20. Muir Mills Co., Ltd., Kanpur	Mr. T. N. Javeri, Director, Civil Lines, Kanpur.	98,128	84,602	1,560	1,520	22,162	2,877
21. Narain Cotton Mill, Bansamandi, Kanpur ...	Messrs. H. Bevis & Co., Proprietors, Subjimandi Kanpur.	14,656	...	*189	...	...	...
22. New Victoria Mills, Co., Ltd., Gwaltoli, Kanpur...	Messrs. J. P. Srivastava & Sons, Ltd., Secretaries, P. B. No. 46, Kanpur.	66,052	62,106	1,367	1,352	17,729	3,056
23. Prem Spinning and Weaving Mills Co., Ltd., Ujhani, District Badaun.	L. Kailash Chandra Soni, Secretary, Ujhani.	17,600	13,686	...	...	1,935	613
24. Ramchand Spg. and Wvg. Mills (formerly New Ramchand Cotton Mills), Hathras City, Aligarh Dist.	Messrs. Hasilal Gulabchand & Co., Owners, Mursan Gate, Hathras City.	20,020	15,308	171	159	4,099	668
25. Raza Textiles, Ltd., Jwalanagar, Rampur (State).	Sir J. P. Shrivastava & Sons (Rampur), Ltd., Mg. Agents, Rampur (State).	21,844	18,764	440	415	6,187	1,231
26. Sachendi Cotton Mills, Sachendi	Messrs. Naraindas Gopaldas, Agents, Sree Dwarkadish Road, Kanpur.	3,440	...	...	...	...	...
27. Shri Radha Krishna Mills (known as Mirzapur Cotton Mills), Narghat, Mirzapur.	Messrs. Sekhsaria Bros. Ltd., Agents, 15, Vivekananda Road, Calcutta.	...	...	74	49	...	211
28. Shri Vikram Cotton Mills Ltd. (formerly R. G. Cotton Mills Co., Ltd.), Talkatora, Lucknow.	Ranjit Singh, & Sons Ltd., Managing Agents, Lucknow.	17,544	17,031	321	272	3,103	922
29. Swadeshi Cotton Mills Co., Ltd., Juhi, Kanpur ...	Messrs. Jaipuria Brothers Ltd., Generalganj, Kanpur.	1,14,836	1,13,312	1,946	1,866	24,823	3,742
	Total ...	7,93,010	7,00,007	12,451	11,363	1,83,768	30,547

NAMES OF MILLS	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
MADRAS STATE.							
1. Aaron Spinning and Weaving Mills, Ltd., Pappinisseri, North Malabar.	Mr. C. Samuel Aaron, Mg. Director, Office on Mill premises.	12,000	6,106	387	352	625	612
2. Asher Textiles, Ltd., Avanashi Road, Tiruppur...	Messrs. Textile Corporation Ltd., Mg. Agents, Avanashi Road. Tiruppur.	14,000	13,595	...	...	2,424	431
3. Balakrishna Mills, Ltd., 47, East Madura Station Road, Madura.	Mr. A. H. S. Ramaswamy Iyer & Sons, 47, East Madura Station Road, Madura.	...	...	83	75	...	73
4. Buckingham and Carnatic Co., Ltd. (Buckingham Mill), Perambur, Madras.	Messrs. Binny & Co. (Madras), Ltd., Mg. Agents, 7, Armenian Street, Madras.	1,20,012	1,13,744	2,773	2,766	39,434	9,591
5. Buckingham and Carnatic Co., Ltd. (Carnatic Mill), Perambur, Madras.	Messrs. Binny & Co. (Madras), Ltd., Mg. Agents, 7, Armenian Street, Madras.						
6. Cambodia Mills, Ltd., Singanallur, Coimbatore ...	Messrs. Peirce Leslie & Co., Ltd., Managing Agents & Secs., Race Course, Coimbatore.	30,624	29,707	4	3	10,026	975
7. Cannanore Spg. & Wvg. Mill Ltd., Kakkat, Cannanore.	Messrs. Malabar Industrial Syndicate, Mg. Agents, Office on Mill promises.	12,000	10,786	...	...	3,581	261
8. Cauvery Spg. & Wvg. Mills, Ltd., Cauvery Nagar, P. O. Vellanur.	Messrs. United Industries (Pudukkottai) Ltd., Managing Agents, Office on Mill premises.	11,616	5,818	...	...	617	162
9. Coimbatore Cotton Mills, Ltd., Singanallur, Coimbatore.	Messrs R. Beema Naidu & Co., Mg. Agents, Office on Mill premises.	28,864	27,957	...	...	5,533	628
10. Coimbatore Kamala Mills, Ltd., Singanallur, Coimbatore.	Messrs. R. V. Lakshmiah Naidu & Co., Agents, Office on Mill premises.	9,539	9,539	...	...	1,795	190
11. Coimbatore Murugan Mills, Ltd., Mettupalayam Road, Coimbatore.	Messrs. T. A. Ramalingam Chettiar Sons & Co., Agents, Office on Mill premises.	19,460	17,374	...	...	4,022	605
12. Coimbatore Pioneer Mills, Ltd., Peelamedu, Coimbatore.	Messrs. T. R. Narayanaswami Naidu & Co., Agents, Coimbatore.	19,280	18,856	...	...	2,330	380
13. Coimbatore Spinning and Weaving Co., Ltd., Palm Grove Road, Coimbatore.	Messrs. R. G. S. Naidu & Co., Secretaries & Agents, Box No. 24, Coimbatore.	54,508	49,596	384	366	8,802	1,497
14. Coimbatore Spinning and Weaving Co., Ltd., Tadepalli Branch (formerly Andhra Cotton Mills), Tadepalli, Guntur Dist.	Messrs. R. G. S. Naidu & Co., Secretaries & Agents, Box No. 24, Coimbatore.	...	...	89	71	...	137
15. Commonwealth Weaving Factory, Cannanore, Malabar.	The Commonealth Trust, Ltd., Calicut, Malabar.	...	...	311	291	...	513
16. Dawood Mills Ltd., Tiruchi Road, Pudukkottai ...	Messrs. M. Shaik Dawood & Co., Agents, Post Box No. 15, Pudukkottai.	3,616	2,260	...	...	78	55
17. Dhanalakshmi Mills, Ltd., Uthukuli Road, Tirupur.	Messrs. M. Nanjappa Chettiar & Sons, Mg. Agents and Secretaries, Tirupur.	25,300	25,141	126	121	5,257	790
18. Gnanambikai Mills, Ltd., Vellakinar, Coimbatore.	Messrs. V. C. Vellingiri Gounder & Bros., Managing Agents, Vellakinar House, Vellakinar Post, Coimbatore.	11,200	10,861	...	...	2,582	308
19. Janakiram Mills Ltd., Srivilliputhur Road, Rajapalayam.	Messrs. Shakthi Ltd., Mg. Agents, Office on Mill premises.	...	...	70	50	...	94
20. Janardana Mills, Ltd., Uppilipalayam, Singanallur.	Messrs. G. Venkataswami Naidu & Co., Agents, Office on Mill premises.	20,760	17,360	...	...	3,379	472
21. Jawahar Mills, Ltd., Nehru Nagaram, Salem Junction.	Messrs. Umayambika & Co., Mg. Agents, Office on Mill premises.	29,032	25,298	...	...	3,372	515
22. Jayalakshmi Mills, Ltd., Uppilipalayam, Singanallur.	Mr. R. Venkataswami Naidu, Mg. Director, Office on Mill premises.	4,344	3,075	...	...	820	113
23. Jayanthi Ramchandrappa Setty Mills, Ltd., Rayadrug, Bellary Dist.	Mr. J. Venkataramanappa Setty, Mg. Director, Office on Mill premises.	...	...	51	40	...	121
24. Jayaram Mills, Ltd., Rajapalayam, Ramnad Dist.	Messrs. Ramco, Management Ltd., Agents, Office on Mill premises.	1,720	...	81	66	...	121
25. Kaleeswarar Mills, Ltd., Annuperpalayam, Coimbatore.	Messrs. A. L. A. R. Arunachalam Chettiar & Dewan Bahadur P. Somasundaram Chettiar, Secty., Office on Mill premises.	50,304	46,947	295	290	6,093	1,351
26. Kandan Textiles, Ltd., Thiruvottiyur, Madras. ...	Messrs. C. S. & Co., Agents, 8, Second Line. Beach, Madras.	...	...	60	53	...	78
27. Karthikeyan Mills Ltd., Viravanallur, Tirunelveli District.	Messrs. A. R. M. Velayutha Mudaliar & Co. Ltd., Mg. Agents, 4/92, Main Road, Ambasamudram.	6,000	1,250	...	...	5	42
28. Kasthuri Mills, Ltd., Singanallur, Coimbatore. ...	Messrs. C. N. Venkatapathy Naidu & Co., Ltd., Agents, Office on Mill premises.	15,080	11,335	...	...	1,880	307
29. Kothari Textiles, Ltd., Singanallur, Coimbatore...	Messrs. Kothari & Sons, Mg. Agents, Oriental Buildings, Armenian Street, Madras.	13,824	13,430	...	...	1,822	219
30. Kumaran Mills, Ltd., Puduppalayam, Idigarai Post, Coimbatore.	Messrs. N. Appuswamy Naidu & Co., Agents, Coimbatore.	6,312	5,761	...	...	926	138
31. Lakshmi Mills Co., Ltd., Mill No. 1, Pappanaicken-palayam, Avanashi Road, Coimbatore.	Messrs. G. Kuppuswami Naidu & Co., Office on Mill premises.	41,904	41,714	...	...	7,218	906
32. Lakshmi Mills Co., Ltd., Mill No. 2 Koilpatty.	Messrs. G. Kuppuswami Naidu & Co., Office on Mill premises.	17,712	15,218	...	...	5,140	405
33. Lotus Mills, Ltd., Sundarapuram, Podanur. ...	Messrs. Lotus Agency, Ltd., Agents, Office on Mill premises.	15,640	13,973	...	...	3,076	426
34. Loyal Textile Mills, Ltd. (formerly Loyal Mills, Ltd.), Kovilpatti.	Messrs. Southern Agencies Ltd., Mg. Agents, 2/21, First Line, Beach, Madras.	24,242	23,471	224	224	0,068	731
35. Madras Spg. and Wvg. Mills Co., Ltd. (formerly Madras United Spg. and Wvg. Mills), Madras.	Messrs. Khandeish Spg. & Wvg. Mills Co., Ltd., Secretaries & Agents, Cambatta Building, 42, Queens Road, Fort, Bombay.	40,164	...	774	...	...	...
36. Madura Mills Co., Ltd., Madura (Old and New), Madura.	Messrs. A. & F. Harvey, Ltd., Managers, Madura.	2,30,552	2,24,774	...	...	43,882	7,331
37. Madura Mills Co., Ltd., Tuticorin (formerly Coral Mills Co. Ltd.), Tuticorin.	Messrs. A. & F. Harvey, Ltd., Managers, Madura.	60,732	58,539	...	...	19,557	2,504

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
38. Madura Mills Co., Ltd., Ambasamudram (formerly Tinnevelly Mills Co., Ltd.), Ambasamudram.	Messrs. A. & F. Harvey, Ltd., Managers, Madura.	1,40,736	1,31,663	...	...	34,674	4,942
39. Madura Mills Co., Ltd. (Pandyan Mills, Madura), Madura East.	Messrs. A. & F. Harvey, Ltd., Managers, Madura.	33,304	28,701	...	...	8,071	1,026
40. Mahalakshmi Textile Mills, Ltd., Madura...	Messrs. S. S. N. Lakshmanan Chettiar & Co., Mg. Agents, Pasumalai P. O., Madura.	21,627	21,627	...	...	5,665	784
41. Malabar Spinning and Weaving Co., Ltd., Kallai, Malabar.	Messrs. A. L. A. R. Somanadhan Chettiar, P. S. Sathappa Chettiar and A. K. T. K. M. Narayanan Namboodripad, Agents, Kallai.	20,256	19,958	...	...	2,322	472
42. Mettur Industries, Ltd., Mettur Dam ...	Messrs. W. A. Beardsell & Co., Ltd., Agents, Post Box No. 7, Madras.	24,252	24,252	603	603	6,367	846
43. Palani Andavar Mills, Ltd., Dhali Road, Udamalpet.	Messrs. Bhagyalakshmi & Co., Mg. Agents, Office on Mill premises.	22,000	20,324	...	...	3,469	412
44. Pankaja Mills, Ltd., Puliakulam, Coimbatore. ...	Messrs. C. S. Ratnasabapathy Mudaliar & Sons, Mg. Agents & Secretaries, P.O. No. 150, Coimbatore.	27,656	25,689	...	...	5,107	743
45. Pullicar Mills, Ltd., Tiruchengode, Salem Dist. ...	Messrs. V. V. C. R. Viapuri Mudaliar & Sons, Agents, Tiruchengode.	12,900	9,622	...	...	1,830	195
46. Radhakrishna Mills, Ltd., Peelamedu, Coimbatore.	Messrs. A. G. Guruswami Naidu & Co., Mg. Agents, Office on Mill premises.	36,464	34,066	...	...	8,161	870
47. Raja Mills, Madura ...	Mr. M. V. P. Kanagavel, Owner, Office on Mill premises.	8,080	8,000	...	...	1,193	300
48. Rajalakshmi Mills, Ltd., Uppilipalayam, Singanallur, P. O. Coimbatore.	Messrs. B. Rangaswami Naidu & Sons, Managing Agent, Office on Mill premises.	25,896	25,112	...	...	4,719	697
49. Rajapalayam Mills, Ltd., Rajapalayam, Ramnad Dist.	Ramco Agencies Ltd., Mg. Agents, Ramamandram, Rajapalayam.	14,200	13,467	...	...	4,717	503
50. Sankar Mills, Chatram, Pudukulam, Tirunelveli, Tinnevelly Dist.	S. Sankaranainar Pillai & Sons, Proprietors, Office on Mill premises.	...	...	101	94	...	82
51. Saroja Mills, Ltd., Singanallur, Coimbatore ...	Messrs. Thiagaraja Chetty & Sons Ltd., Managing Agents, Office on Mill premises.	13,020	12,488	...	...	1,991	242
52. Shree Venkatesa Mills, Ltd., Udamalpet, Coimbatore Dist.	Messrs. G. V. Govindaswami Naidu & Co., Managing Agents, 3/62, Pasupati Mudaliar Street, Udamalpet.	38,660	32,935	228	82	3,846	637
53. Somasundaram Mills Ltd. (formerly Coimbatore Mall Mills), 270, Mill Road, Coimbatore.	Mr. P. S. Sathappa Chettiar, Mg. Agent, Trichy Road, Coimbatore.	23,200	21,031	390	307	2,498	1,100
54. Soundararaja Mills, Ltd., Power House Road, Dindigul.	Messrs. Lakshmana & Co., Mg. Agents, Office on Mill premises.	9,600	8,783	...	...	1,591	228
55. Sree Meenakshi Mills, Ltd., Thirupparankundram Road, Madura.	Messrs. Thiagaraja Chetty & Co., Mg. Agents, Office on Mill premises.	37,204	36,432	...	...	13,003	1,302
56. Sree Rajendra Mills, Ltd. (formerly Salem Rajendra Mills Ltd.), Gandhi Nagar, Salem.	Messrs. Thiagaraja Chetty & Co., Ltd., Agents, Meenakshi Nilayam, Tirupparankundram Road, Madura.	17,200	14,507	...	...	3,507	450
57. Sree Shunmugar Mills, Ltd., Rajapalayam, Ramnad District.	Messrs. Sree Alagai Ltd., Mg. Agents, Saraswathi Niwas, Sivagamipuram Street, Rajapalayam.	5,500	4,620	...	...	1,800	214
58. Sree Suryanarayana Spg. and Wvg. Mills, Pandalapaka, E. Godavery District.	Mr. Vunduvilli Satyanarayanamurty, Managing Director, Office on Mill premises.	5,584	5,360	...	...	574	216
59. Sri Balasubramania Mills, Ltd., Singanallur, Coimbatore.	Messrs. K. Krishnaswami Naidu & Bro., Agents, Office on Mill premises.	12,096	12,096	...	...	1,433	389
60. Sri Kothandram Mills (Weaving), Venkatapaty Iyengar Street, Ramnad Road, Madura.	Messrs. S. S. Ramudu Iyer & Bro, Owners, 272, Ramnad Road, Madura.	...	...	82	78	...	91
61. Sri Kothandram Mills (Spinning), Chintamani Rubbish Depot Road, Mahalipatti, Madura.	Messrs. S. S. Ramudu Iyer & Bro. Owners 272, Ramnad Road, Madura.	4,000	3,976	...	...	1,662	215
62. Sri Palamalai Ranganathar Mills, Ltd., Perianaickenpalayam P.O., Coimbatore District.	Messrs. S. K. Rangaswami Naidu & Co., Mg. Agents, Office on Mill premises.	5,600	5,545	...	...	1,126	141
63. Sri Ramachandra Spg. and Wvg. Mills, Pandalapaka, E. Godavery District.	Messrs. D. Subbireddi, K. Bhamireddi, and U. Chellama, Proprietors, Office on Mill premises	7,044	5,828	...	...	163	264
64. Sri Ramalinga Choodambikai Mills, Ltd., Uthukuli Road, Tirupur.	Messrs. S. Kulli Chettiar & Bros., Mg. Agents, 60/10, Uttukuli Road, Tirupur.	13,124	12,960	...	...	2,318	360
65. Sri Ranga Vilas Ginning, Spg. and Wvg. Mills, Ltd., Peelamedu, Coimbatore.	Messrs. P. S. Govindaswami Naidu & Sons, Mg. Agents, Office on Mill premises.	29,272	28,390	87	73	4,320	712
66. Sri Sarada Mills, Ltd., Loganathapuram, Podanur, Coimbatore.	Messrs. V. S. Sengottaiah & Bros., Mg. Agents, Bakthi Vilas, Jail Road, Coimbatore.	14,472	13,893	170	143	2,543	392
67. Sri Satyanarayana Spinning Mill, Rajahmundry, Godavery District.	Rao Saheb Vallbhaneni Bapayya Chowdary, Proprietor, Rajahmundry.	5,504	4,265	...	...	737	153
68. Thaikesar Alai (Branch of Shree Meenakshi Mills Ltd., Madura), Usilampatti, Pudukkotai State.	Messrs. The Sree Meenakshi Mills, Ltd., Madura. Owners, Manaparai Post, Trichy.	21,600	20,330	...	...	3,271	509
69. Thirumagal Mills, Ltd., Gudiyattam, North Arcot.	Messrs. Thirumal & Co., Ltd., Agents, Office on Mill premises.	12,040	8,656	...	...	1,762	278
70. Tirumurti Mills, Ltd., Bodipatti, Udamalpet, Coimbatore District.	Messrs. Jayalakshmi & Co., Agents, Office on Mill premises.	11,600	11,281	...	...	2,105	269
71. Trichinopoly Mills, Ltd., Kaligudi, Manapparai Road, Trichinopoly.	Messrs. Mooljee Ramjee and Sons, Ramjee Nagar, Trichinopoly.	16,000	15,831	...	...	2,026	296
72. Vasanta Mills, Ltd., Singanallur, Coimbatore. ...	Messrs. R. K. Shanmukham Chetty & Bros., Managing Agents and Secretaries, Office on Mill premises.	29,304	27,864	270	267	5,731	880

NAME OF MILLS.	NAMES OF AGENTS/OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
73. Vijyalakshmi Mills, Ltd. (formerly Vyaya Mills, Ltd.), Kuniayamuthur, Coimbatore.	Messrs. Gupta & Co., Ltd., Agents, Post Box No. 11, Coimbatore.	11,032	9,858	...	...	1,967	293
	Total ...	16,80,188	15,22,915	7,634	6,415	3,36,348	54,487
COCHIN & TRAVANCORE.							
1. A. D. Cotton Mills, Ltd., Quilon	Messrs. Girdharlal Amratlal & Co., Mg. Agents, Office on Mill premises.	12,000	10,525	300	265	1,635	440
2. Alagappa Textiles (Cochin) Ltd. (Alagappa Textiles), Alagappanagar (Cochin State).	Messrs. Ramal & Co., Ltd., Managing Agents, Alagappanagar P. O. (Cochin State).	44,300	26,773	...	...	3,764	1,199
3. Alagappa Textiles (Cochin) Ltd. (Cochin Textiles), Alagappanagar (Cochin State).	Messrs. Ramal & Co., Ltd., Managing Agents, Alagappanagar P. O. (Cochin State).						
4. Alwaye Textiles, Ltd., Alwaye	Messrs. Shankar Agencies Ltd., Mg. Agents, Alwaye.	6,504	1,608	10	...	120	118
5. Cochin Mahalakshmi Cotton Mills Ltd., Mulakunnathukavu, Cochin State.	Messrs. Cochin Agencies & Industries Ltd., Managing Office on Mill premises.	1,500	1,500	...	...	200	87
6. Sitaram Spg. and Wvg. Mills, Ltd., Trichur, Cochin State.	Messrs. T. R. Anantharama Iyer & Bros., Ltd., Managing Agents, Pushpagiri, Trichur.	15,614	15,331	416	387	3,472	789
7. Vijayamohini Mills Ltd., Thirumala Poojapura, Trivandrum.	Messrs. Binsuram & Co., Mg. Agents, Office on Mill premises.	6,720	5,305	...	...	846	202
	Total ...	86,638	61,092	726	652	9,537	2,835
MYSORE.							
1. Bangalore Woollen, Cotton and Silk Mills Co., Ltd., Agraram Road, Bangalore City.	Messrs. Binny & Co. (Madras), Ltd., Secrs., Treas., & Agents, 7, Armenian Street, Madras.	40,608	39,196	1,157	1,092	12,311	4,145
2. Davangere Cotton Mills, Ltd., Devangere ...	Messrs. R. Hanumanthappa & Son, Managing Agents, Hanumanthappa Building, Chittaldrug Road, Davangere.	16,128	13,245	...	...	3,579	666
3. Minerva Mills, Ltd., Bangalore City	Messrs. N. Sirur & Co., Ltd., Mg. Agents, Temple Bar Building, 70, Forbes Street, Fort, Bombay.	34,016	33,172	476	473	9,212	1,712
4. Mysore Spinning and Manufacturing Co., Ltd., Venkatarangaiengar Rd., Malleshwaram, Bangalore City.	Messrs. N. Sirur & Co., Ltd., Mg. Agents, Temple Bar Building, 70, Forbes Street, Fort, Bombay.	49,696	45,571	500	484	10,692	2,345
5. Sri Krishnarajendra Mills, Ltd., Siddalingapur, Mysore.	Mr. H. Nanjundia, Chairman & Mg. Director, Office on Mill premises.	25,200	23,296	292	264	5,714	1,244
6. Sri Krishna Weaving Mills, Subramanyapura, Kengeri Post, Uttanballi.	Messrs. Yadalam Subbiah Setty & Sons, Proprietor, Chickpet, Bangalore City.	...	...	174	168	...	461
7. Sri Shankara Textile Mills Ltd., Davangere ...	Messrs. Murugharajendra Company, Post Box No. 2, Davangere.	6,600	6,600	...	...	613	229
8. Shree Suryodaya Mills (formerly Bangalore Spg. and Weaving Mill), Yeshvantpur, Bangalore City.	Messrs. Rama Settiar and P. S. Sathappa Chettiar, Proprietors, Office on Mill premises.	...	...	73	50	...	142
9. T. R. Mills, Chamarajpet, Bangalore City. ...	D. R. Madhava Krishnaiya, Owner, Office on Mill premises.	...	...	208	165	...	355
	Total ...	1,72,248	1,61,080	2,880	2,696	42,121	11,299
PONDICHERRY.							
1. Anglo-French Textile Co., Ltd. (Rodier Mill), Pondicherry.	Messrs. Best & Co., Ltd., Managing Agents, Post Box No. 63, Madras.	44,256	44,094	1,000	649	11,140	3,323
2. Establishment Textile De Modeliarpeth S. A. (formerly The Pondicherry Cotton Mills, Ltd.), Modeliarpet, Pondicherry.	Mr. S. C. Ayyavoo, Managing Director, Post Box No. 10, Pondicherry.	15,969	13,701	305	292	1,957	938
3. "Savana" Societe Anonyme de Filature et Tissage Mecanique, Savana (Inde-francaise), Pondicherry.	Mr. Marcel Valot, General Manager, Office on Mill premises.	22,968	22,875	675	672	6,207	1,792
	Total ...	83,193	80,670	1,980	1,613	19,304	6,053
	INDIAN DOMINION Total ...	1,05,33,799	95,55,265	1,97,807	1,81,848	21,62,719	4,63,075

PAKISTAN

SIND.

NAME OF MILLS.	NAMES OF AGENTS/OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
1. Daulatram Spg. & Wvg. Mills (formerly Sind Textile Mills), New Jail Country Club Road, Karachi.	Jamnadas Ibji Dutia, Esq., Proprietor, Country Club Road, Karachi.	2,216	2,216	60	...	762	151
EAST BENGAL.							
2. Acharya Prafulla Chandra Cotton Mills, Ltd., Boyra Main Road, Khulna.	Messrs. Bengal Workers' Association Ltd., Mg. Agents, 3, Madan Street, Calcutta.	...	...	110	47	...	129
3. Bagerhat Co-operative Weaving Union, Ltd., Bagerhat, E. Bengal.	Messrs. Bengal Provincial Co-operative Bank Ltd., Mg. Agents, 3/2, Dalhousie Square, East Calcutta.	...	...	50	35	...	55

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
4. Chittaranjan Cotton Mills, Ltd., Narayanganj, Dacca.	Messrs. The Keshavlal Industrial Syndicate, Ltd., Mg. Agents, 4, Simpson Road, Dacca.	9,720	8,798	152	148	4,113	562
5. Dacca Cotton Mills, Ltd., Postgollah, P. O. Faridabad, Dacca.	Messrs. Gajraj Madanlal, Ramesh Chandra Jogesh Chandra Das, Mg. Agents, Office on Mill premises.	4,500	2,200	124	114	600	397
6. Dhakeswari Cotton Mills, Ltd., Mill No. 1, Dhamgarh, Narayanganj, Dacca.	S. K. Basu, Esq., Mg. Director, 24/25, Srisdas Lane, Sangattola, Dacca.	28,836	24,238	778	608	4,272	1,457
7. Dhakeswari Cotton Mills, Ltd., Mill No. 2, Godnyle, Narayanganj, Dacca.	S. K. Basu, Esq., Mg. Director, 24/25, Srisdas Lane, Sangattola, Dacca.	21,280	16,940	511	343		1,036
8. Luxminarayan Cotton Mills, Ltd., Godnyle, Narayanganj, Dacca.	Messrs. The Dacca National Agency Ltd., Mg. Agents, 3, Johnson Road, Dacca.	6,028	5,926	222	207	806	570
9. Luxmi Spinning and Weaving Mills, Ltd., Narayanganj, Dacca.	Messrs. Textile Trust, Ltd., Agents, P. 39, Princep Street, Calcutta 13.	2,424	2,400	...	...	385	87
10. Mohini Mills, Ltd. (Mill No. 1), Kushtia	Messrs. Chakravarti Sons, & Co., Managing Agents, 22, Canning Street, Calcutta.	18,640	16,339	527	499	1,811	1,033
WEST PUNJAB.							
11. Lyallpur Cotton Mills (Branch of Delhi Cloth and General Mills Co., Ltd.), Lyallpur.	Branch of Delhi Cloth and General Mills, Delhi.	32,052	28,573	994	959	12,910	1,485
12. Mela Ram Cotton Mills, Mela Ram Road, Lahore.	Mr. R. B. Gopal Das & Sons Ltd., Props. and Occupiers, Post Box No. 20, Lahore.	16,116	10,986	148	144	3,226	576
13. Punjab Textile Mills, Ltd., P. O. Kot Dunichand, Lahore.	D. D. Puri, Esq., Mg. Director, 2, Fane Road, Lahore.	5,040	4,674	...	...	2,967	196
14. Sutlej Cotton Mills, Ltd., Okara	Messrs. Birla Bros., Ltd., Mg. Agents, 8, Royal Exchange Place, Calcutta.	22,800	21,964	925	846	3,835	2,874
	PAKISTAN Total ...	1,69,652	1,46,254	4,601	3,950	40,687	10,608
	GRAND TOTAL (INDIAN DOMINION & PAKISTAN)...	1,07,03,451	97,01,519	2,02,408	1,85,798	22,03,406	4,73,682

Total Mills in India: 416; in Pakistan: 15 = 431 (India and Pakistan).
Paid-up Capital: Rs. 882 million.

COTTON MILLS IN COURSE OF ERECTION (1949)

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
BOMBAY STATE.							
1. Karnatak Bhagyodaya Mfg. Co., Ltd., Bagalkot (Dist. Bijapur).	Mr. M. A. Patil, Mg Agent, 1070 North-Kasba, Sholapur City.	10,000	...	2,000	...	...	...
2. Surat Textile Mills Ltd., Varachha Road, Surat...	Messrs. Kanchanlal Kapadia & Co., Ltd., Mg. Agents, Office on Mill premises.	10,000	...	...	...	...	...
3. Zaverchand Textile Mills Ltd., Vasant Engineering Compound, Goyagate, Baroda.	Messrs. Balkrishna Balmukund & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	19,000	...	300	...	...	...
MADHYA PRADESH.							
1. Narmada Cotton Mills Ltd., Dist. of Jubbulpore...	Messrs. Madhoprasad Manmohandas, Agents, Allahabad.	19,000	...	300	...	...	...
ORISSA.							
1. Orissa Textiles Mills Ltd.,* Ashokpatan P. O., Dist. Cuttack.	Messrs. B. Patnaik & Co., Ltd., Mg. Agents, Office on Mill premises.	44,000	...	432	...	...	...
WEST BENGAL.							
1. Bay of Bengal Textiles Ltd., Joyrampore, Dist. Nadia.	Messrs. A. Rashid & Co., Mg Agents, 25-26, Waterloo Street, Calcutta.	10,000	...	200	...	...	...
2. Bengal Fine Spinning and Weaving Mills Ltd., Konnagar (E. I. Rly.)	Messrs. B. C. Nawn & Bros Ltd., Mg. Agents, Mercantile Bldgs., Lalbazar, Calcutta.	13,700	...	...	...	...	...
3. Bengal Textile Mills Ltd.	Messrs. D. N. Choudhury & Co., Ltd., Mg. Agents, 23, Hurrochunder Mullick St., Calcutta.	15,000	...	5,000	...	...	...
4. Bijoy Cotton Mills Ltd.	Messrs. Himatsingka & Sons, Ltd., Mg. Agents, 6, Old Post Office Street, Calcutta.	20,000	...	...	...	...	...
5. Dhaleswari Textiles Ltd., Near Asansol, West Bengal.	Messrs. G. K. Ghosh & Co., (Textiles) Ltd., Mg. Agents, Norton Bldgs., 1 & 2, Old Court House Corner, Calcutta.	13,000	...	100	...	...	...
6. D. N. Choudhury Cotton Mills Ltd.	Messrs. Choudhury Industries Ltd., Secretaries and Agents, 23, Hurrochunder Mullick Street, P. O. Hatkhola, Calcutta.	8,000	...	150	...	...	...

*Started functioning in the beginning of 1950.

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	Total Number of Spindles installed.	Average Number of Spindles at work daily.	Number of Looms installed.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed daily.
7. Emerald Cotton Mills Ltd., Shamnagar (B. A. Rly.), 24 Parganas.	Messrs. Century Agencies Ltd., Agents, P. 7, Mission Row Extension, Calcutta.	...	...	...	...	...	...
8. Kalyan Spg. and Wvg. Mills Ltd., Birati, 24 Parganas.	Messrs. A. K. Choudhri & Co., Ltd., 87, Daramtola Street, Calcutta 13.	12,128	...	...	...	...	...
9. Sodepore Cotton Mills Ltd., Sodepore, 24 Parganas.	Messrs. Choudhuri Textiles Ltd., Agents, 23, Hurro Chunder Mullick Street, Calcutta 5.	19,000	...	400	...	...	...
10. Sree Annapurna Cotton Mills Ltd., Shamnagar, 24 Parganas.	Messrs. Chakravarti Mukerjee & Co., Ltd., Agents, 214, Cross Street, Calcutta.	10,000	...	150	...	...	...
MADRAS STATE.							
1. Hemalatha Textiles Ltd., Pedakakani, Nambur, R. S. Guntur Dist.	Messrs. Sudarsanm Ltd., Dare House, Esplanade, Madras.	12,000	...	...	...	...	...
2. Madura Srinivas Mills Ltd., Tirupparankundram Road, Pasumalai Post.	Messrs. Srinivasan & Co., Mg. Agents, Madura, (S. India).	6,600	...	150	...	...	...
3. Muruganandа Mills Ltd., Pettai, Tinnevelly Town.	Mr. G. Subrahmania Pillai, Mg. Director, Golden Palace, West Car Street, Tirunelveli Town (S. India).	12,000	...	150	...	...	...
4. Premier Mills (C. B. E.) Ltd., Pulankinar Village, Udamalpet Taluk, Coimbatore.	Messrs. K. Narayanaswamy Naidu & Co., Mg. Agents, Periavalavadi Dhally Post.	...	...	...	...	...	...
5. Rajeswari Mills Ltd., Rly. Station Road, Gudiyattam Town, North Arcot Dist.	Messrs. Gudiyattam Textiles Ltd., Mg. Agents, Office on Mill premises.	6,000	...	...	...	...	...
6. Rayalaseema Mills Ltd., Rayanagar, near Adoni, Bellary Dist.	Messrs. Rayalaseema Development Co., Mg. Agents, Office on Mill premises.	12,000	...	...	...	...	...
7. Sri Kannapiran Mills Ltd., Coimbatore	Messrs. K. Venkataswamy Naidu & Co., Mg. Agents, 5/21, Gopalapuram, Coimbatore.	7,000	...	...	...	...	...
8. Swathanthra Mills Ltd., Makanoor Karur, Trichinopoly Dist.	Messrs. Swami & Murthy, Mg. Agents, 68, Car Street, Karur, Trichinopoly District.	15,500	...	200	...	...	...
9. Tuticorin Spg. Mills Ltd., Palam Cottah Road, Tuticorin.	Mr. A. M. M. Sinnamani Nadar, Mg. Director, 88 A, South Rajah Street, Tuticorin.	12,000	...	...	...	...	...
10. Vijaya Kumar Mills Ltd., Kalayamputhur P. O. (*Via* Palni, S. I. Rly.), Coimbatore Dist.	Messrs. Guruswamy Naidu & Co., Mg. Agents, Office on Mill premises.	13,440	...	...	...	...	...
TRAVANCORE.							
1. Balarama Varma Textiles Ltd., Shencottah, Travancore.	Messrs. Karayalar Bros. & Co., Mg. Agents, Taikar, Trivandrum.	12,000	...	...	...	...	...
MYSORE.							
1. Kapila Textile Mills Ltd., Nanjangud	Messrs. C. P. C. & Co., Mg. Agents, Gandhi Square, Mysore.	15,184	...	302	...	...	...
2. Sree Ganesar Textile Mills Ltd., Davangere ...	Messrs. G. Mahadevappa & Bros., Mg. Agents and Secretaries, Davangere.	25,000	...	300	...	...	...

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